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Letter dated 15 December 2010 from the Chairman of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia addressed to the President of the Security Council

I have the honour to refer to my letter dated 2 December 2010 transmitting a copy of the final report of the Panel of Experts on Liberia. On behalf of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia, and in accordance with paragraph 9 of Security Council resolution 1903 (2009), I have the honour to submit herewith a revised version of the final report, which was considered in the Committee on 13 December 2010 (see enclosure).

I would appreciate it if the present letter, together with its enclosure, could be brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Ivan **Barbalić**
Chairman
Security Council Committee established pursuant
to resolution 1521 (2003) concerning Liberia

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Enclosure

Letter dated 10 November 2010 from the Panel of Experts on Liberia addressed to the Chairman of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia

The members of the Panel of Experts on Liberia have the honour to transmit the final report of the Panel, prepared pursuant to paragraph 9 of Security Council resolution 1903 (2009).

(*Signed*) Wynet **Smith**
(Coordinator)

(*Signed*) Rowan **Bosworth-Davies**

(*Signed*) Hervé **Gonsolin**

Final report of the Panel of Experts on Liberia submitted pursuant to paragraph 9 of Security Council resolution 1903 (2009)

Summary

Diamonds

The Government of Liberia authorized the export of over 11,951 carats of rough diamonds valued at approximately $11.9 million during the first nine months of 2010. The Government of Liberia is in compliance with many aspects of the Kimberley Process Certification Scheme and has improved its performance on data-sharing to the Kimberley Process website, although there is still room for improvement. Progress in Liberia is slow in relation to concrete action on addressing many Kimberley Process review visit recommendations. The frequency of meetings of the Presidential Task Force on Diamonds has declined again and the Ministry of Lands, Mines and Energy has not been able to provide any update on the recommendation of the Task Force to the President to transition the Task Force to a Precious Minerals and Kimberley Process Oversight Committee.

Forestry and other natural resources

Natural resources play a central role in the vision of the Government of Liberia for a future of sustainable and equitable growth. The Government has passed a number of pieces of legislation that seek to improve natural resource governance and management through more open and competitive bidding processes for concessions, transparency requirements for resource payments, and improved benefit-sharing. The Government has allocated millions of hectares for mineral exploration licences, mineral development agreements, and forestry and agricultural concessions. Illicit extractive activities continue around the country. While Liberia has made a number of advances in terms of legal requirements, significant challenges hinder the potential for the country's natural resources to contribute to peace, security and development in the long term. Documented problems include non-payment of fees related to some concessions; cases of non-competitive allocation of large concessions; corruption; and lack of consultation with county authorities, district authorities and affected communities. In addition, government capacity to monitor commercial concessions is extremely limited in relation to the scope of the agreements being allocated and information is often difficult to obtain.

Arms embargo

Some minor violations of the arms embargo have occurred. The proliferation of locally manufactured guns and pistols is becoming a major concern. The absence of a harmonized regional legal and regulatory framework is also problematic but a process has commenced to revise the Liberian law on firearms. The entry into force of the Convention on Small Arms and Light Weapons, their Ammunition and Other Related Material of the Economic Community of West African States (ECOWAS) is a step into the right direction. No progress has been made in building Liberian capacities for marking and the disposal of weapons and ammunitions. The United Nations Mission in Liberia firearms inspection procedures need to be revisited, especially with regard to the arms and ammunitions imported for the training of the Armed Forces of Liberia.

Information on designated individuals

The Panel has updated information on a number of designated individuals.

Travel ban

The Panel has no further information on alleged travel of designated individuals. The Panel has requested information from the Government of Liberia's Bureau of Immigration and Naturalization records on the travel of Cyril Allen, Edwin Snowe and other designated individuals. Unfortunately, this information was not forthcoming prior to the submission of the report.

Assets freeze

The Panel of Experts has reviewed the documentation in its possession in order to assess the current state of knowledge. The Panel has also reviewed the status of Liberia's actions regarding its obligations to freeze the assets of designated individuals, as required by resolution 1532 (2004), and can report that Liberia has made no further progress in implementing the assets freeze. Further to its task to identify and make recommendations regarding areas where the capacity of Liberia and the States in the region can be strengthened to facilitate the implementation of the assets freeze measure, the Panel has focused its efforts on determining what systems and procedures exist to encourage the Government of Liberia to implement its obligations. Liberia should work with the Financial Action Task Force to improve its capacity to implement its obligations.

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I. Introduction

1. By its resolution 1521 (2003), the Security Council imposed sanctions on exports of arms and ammunition to Liberia, a travel ban on individuals identified as constituting a threat to peace in Liberia, and sanctions on diamond and timber imports from Liberia. By its resolution 1532 (2004), the Council imposed an assets freeze on Charles Taylor and his associates. The Council has since lifted the sanctions on timber and diamonds and has modified the arms embargo, most recently through its resolution 1903 (2009) of 17 December 2009, which resulted in limiting the arms embargo to non-State entities and individuals in Liberia. By its resolution 1903 (2009), the Council renewed the travel ban initially imposed under paragraph 4 (a) of resolution 1521 (2003) for a further period of 12 months and recalled that the assets freeze on designated individuals and entities imposed by paragraph 1 of resolution 1532 (2004) remained in force.

2. By its resolution 1903 (2009), the Security Council extended the mandate of the Panel of Experts on Liberia to investigate and report on the relevant sanctions measures. The Security Council has specifically requested the Panel to monitor whether there are violations of the arms embargo and the travel ban and to assess the impact and effectiveness of the assets freeze. The Panel was also tasked to identify and make recommendations regarding areas where the capacity of Liberia and States in the region can be strengthened to facilitate implementation of the travel ban and assets freeze and to assist the sanctions Committee in updating the publicly available reasons for listing for entries on the travel ban and assets freeze lists of the sanctions Committee.

3. Additionally, the Council has tasked the Panel with assessing the impact of the modified arms embargo, specifically its effect on the stability and security of Liberia; the contribution of forestry and other natural resources to peace, security and development in Liberia within the context of Liberia's evolving legal framework; and the compliance of the Government of Liberia with the Kimberley Process Certification Scheme and to coordinate with the Kimberley Process in that assessment.

4. In a letter addressed to the President of the Security Council dated 11 February 2010 (S/2010/79), the Secretary-General reappointed two members of the Panel of Experts: Wynet Smith (Canada, natural resources expert and coordinator) and Hervé Gonsolin (France, arms expert) and appointed Rowan Bosworth-Davies (United Kingdom of Great Britain and Northern Ireland, finance expert).

5. This document is the final report of the Panel of Experts requested by the Security Council in paragraph 9 (f) of resolution 1903 (2009), summarizing its observations and conclusions.

II. Methodology and collaboration with stakeholders

6. The Panel carried out investigations between late February 2010 and early November 2010. The Panel has focused on collecting new data related to its mandate, both in Liberia and elsewhere. Members of the Panel conducted various missions to Liberia (March, May-June, July-August and October 2010). The Panel also conducted visits to Belgium, Canada, Côte d'Ivoire, France, Israel, Switzerland, the United Kingdom and the United States of America.

7. During its mission to Liberia, the Panel conducted extensive interviews in Monrovia with Ministers and officials of a number of Government ministries and agencies, as well as with various officials of the United Nations Mission in Liberia (UNMIL) and other organizations. The Panel prioritized field investigations and managed to visit all 15 Liberian counties. In its field investigations, the Panel focused on collecting information related to, inter alia, arms and ammunition movements, natural resources, knowledge of the travel ban at exit and entry points, and the effectiveness of controls at border crossings and within natural resource areas.

8. The Panel has received information and assistance from a wide range of actors both in Liberia and elsewhere. Annex I to the present report provides a list of organizations contacted by the Panel in the course of its investigations during the reporting period. The Panel would like to specifically thank the Special Representative of the Secretary-General and officials of UNMIL for their collaboration and support to the Panel.

9. The Panel is pleased to report that, in general, relations with the Government of Liberia remain collaborative and transparent, although the Panel has not been able to obtain all of the data it required to carry out its investigations.

10. As requested by the Security Council, the Panel cooperated with the Group of Experts on Côte d'Ivoire appointed pursuant to resolution 1893 (2009). The Panel also collaborated and coordinated with the Kimberley Process with regard to assessing Liberia's compliance with the Kimberley Process Certification Scheme.

III. Recent developments in Liberia and the region

11. The situation in Liberia is relatively calm but the political and security context remains fragile. The challenges surrounding the establishment of security institutions and the administration of justice pose the most serious challenges for consolidating peace and stability.[1] Mob justice prevailed on several occasions because of the public's lack of confidence in the security and justice institutions. The situation is further compounded by high levels of unemployment, widespread criminality and the rise in land disputes in various parts of the country. Liberia remains a deeply divided country with sporadic ethnic and religious clashes.[2] The consolidation of democratic and governance institutions is also weakened by repetitive corruption scandals. In late June 2010, the International Monetary Fund and the World Bank announced Liberia's achievement of the Heavily Indebted Poor Countries Initiative (HIPC) completion point and a consequent $4.6 billion in debt relief for Liberia.

12. On 3 November 2010, President Ellen Johnson Sirleaf put her entire Cabinet, except for the Minister of State for Presidential Affairs, on administrative leave. According to the press release of the Executive Mansion, the President wanted to be

[1] In its 2009 Human Rights Report on Liberia, the United States State Department notes that an estimated 85 per cent of prisoners were pretrial detainees. Available at http://www.state.gov/g/drl/rls/hrrpt/2009/af/135961.htm.

[2] This was the case in Lofa County in February 2010, when Muslims (mainly Mandingos) and Christians clashed, leading to four deaths.

able to create a clean slate for the final year of her mandate.[3] The President left the country the following day for the United States of America. A list of Acting Ministers was released on 5 November 2010.[4] The newly named Acting Ministers attended their first Cabinet meeting on 5 November 2010.

13. As noted in paragraph 15 of the midterm report of the Panel (S/2010/319), there are indications that the county development steering committees, charged with coordinating the relevant work of all Government entities, non-governmental organizations and international partners, have continued to meet irregularly in many counties. There have been many allegations of misuse of county development funds, and the General Auditing Commission of Liberia is conducting an audit of these funds.

14. In letters dated 14 July 2010, sent to the Justice Minister, the Liberia Anti-Corruption Commission recommended the prosecution of former Police Inspector General Beatrice Munah-Sieh Brown and the former Deputy Commissioner for Administration of Police Harris Manneh Dunn. The Commission said it had found them guilty of corruption for the alleged procurement of uniforms and accessories valued at over $199,000.

15. On 22 July 2010, the Liberian legislature (both the Senate and the House of Representatives) passed the joint resolution on the threshold for the 2011 presidential and legislative elections. The President signed the resolution into law on 2 August 2010. This law was essential to further planning for the 2011 elections.

16. The Panel notes that the Ivorian presidential election, delayed since 2005, was held on 31 October 2010. Polling was generally smooth, with a turnout of around 80 per cent. Laurent Gbagbo finished in first place. He will face former Prime Minister Alassane Ouattara in a run-off to be held on 28 November 2010. The country remains divided and the elections might result in violent contestations, especially considering the presence of militias, which include several thousand Liberians. Since demobilization payments commenced on 22 September 2010, the Ivorian media has reported rumours of attacks from ex-fighters of the Movement for Democracy in Liberia, once considered allies of President Laurent Gbagbo, to request their war allowance from his government.

17. A close adviser to the Minister of Defence of Côte d'Ivoire, Colonel N'Guessan Yao, was arrested in the United States in early September for allegedly plotting to export $3.8 million of small arms to Côte d'Ivoire, which would have violated the United Nations arms embargo on Côte d'Ivoire imposed by Security Council resolution 1572 (2004). The Minister of Defence claimed that the purchase was equipment for crowd control. On 15 October 2010, the Security Council unanimously adopted resolution 1946 (2010) extending the sanctions on Côte d'Ivoire for a further six months.

18. In Guinea, the first round of the presidential election took place on 27 June 2010. Cellou Diallo and Alpha Condé were qualified for the second round with 43 per cent and 18 per cent of the votes, respectively. Delays in the counting of

[3] Executive Mansion, press release, "President Sirleaf Sends Entire Cabinet on Administrative Leave", 3 November 2010. Available at www.emansion.gov.lr/press.php?news_id=1707 (accessed 4 November 2010).

[4] Executive Mansion, press release, "List of Acting Ministers Released", 5 November 2010. Available at www.emansion.gov.lr/press.php?news_id=1710 (accessed 7 November 2010).

votes fuelled claims of fraud and tensions. Initially planned for 19 September and then postponed to 24 October 2010, the second round finally took place peacefully on 7 November 2010, under close international scrutiny. The election campaign in Conakry saw violent clashes between supporters of the two finalists and with the security forces. The candidates represent the two main ethnic groups: the Peul (40 per cent of the population) and the Malinke (35 per cent of the population). This situation is of concern, as violence could erupt if the election results are not accepted by all parties.

19. The Panel notes that through resolution 1940 (2010) of 29 September 2010, the Security Council lifted the arms embargo and other sanctions it had imposed on Sierra Leone more than 12 years ago during the civil war. The Panel takes note of the fact that the Security Council was informed that Sierra Leone faces opportunities but also increased risks from upcoming elections, newly found mineral wealth, and the potential for offshore oil and gas.

IV. Implementation of the Kimberley Process Certification Scheme

20. The Security Council lifted sanctions on the import of Liberian rough diamonds on 27 April 2007. Liberia has been a participant in the Kimberley Process since 4 May 2007 and began to export diamonds during September 2007. Specific requirements of the Kimberley Process Certification Scheme include issuance of certificates for each shipment; internal controls for both export and import of rough diamonds; maintenance and reporting of statistics; and cooperation and transparency.

21. In its previous reports, the Panel summarized Liberia's system of internal controls designed to meet the requirements of the Kimberley Process Certification Scheme and assessed the Government's implementation of this system (see S/2007/689, paras. 19-25; S/2008/371, paras. 108-113; S/2008/785, paras. 18-56; and S/2009/640, paras. 21-77). The Panel noted in its December 2009 report (S/2009/640) that efforts in Liberia to implement the Scheme had diminished and that Liberia was not in compliance with data maintenance and sharing requirements.[5]

22. To update its assessment of the Government's implementation of the Kimberley Process Certification Scheme, the Panel focused on reviewing the progress made by the Government of Liberia with regard to problems reported in its December 2009 report (S/2009/640) and with regard to the Kimberley Process review visit report of 2009. The Panel collected data from the Government Diamond Office and other departments of the Ministry of Lands, Mines and Energy. The willingness of officials to share data was uneven and resulted in many delays in the Panel's investigations.

23. The Panel also collaborated with the Kimberley Process in its assessment of Liberia's compliance with the Kimberley Process Certification Scheme. After considerable discussions and negotiations with participants in the Kimberley

[5] The Panel notes that the President referenced the finding about diminished political will and the need to examine the situation in her annual message of 25 January 2010 to the fifth session of the fifty-second National Legislature. Available at: www.emansion.gov.lr/content.php?sub=Annual%20Messages&related=Speeches.

Process, the Panel obtained the necessary authorization and a user name and password to be able to access the Kimberley Process statistics website. While the Panel appreciates all of the efforts of the Chair and many participants to find a solution to the data-sharing issue, the Panel notes that the process outlined in the administrative decision on sharing information with the United Nations led to lengthy and unnecessary delays.

24. Since Liberia's admittance to the Kimberley Process in May 2007, the Kimberley Process has conducted two review visits, the first in April and May 2008 and the second in May 2009. The Kimberley Process review visit report for 2009 identified a number of ongoing challenges with regard to the implementation of Liberia's system of internal controls. The review visit team of 2009 noted that efforts to improve implementation appeared to have diminished and made a number of recommendations to improve Liberia's compliance with the Kimberley Process Certification Scheme. Rather than recommending a third review visit, the team proposed that Liberia's Kimberley Process focal point should provide the Chair of the Kimberley Process Working Group on Monitoring a full update on progress, including details on each recommendation, and where no progress has been made.

A. Developments in the diamond sector

25. The Government Diamond Office issued 48 Kimberley Process certificates between 1 January 2010 and 30 September 2010, authorizing the export of 11,951 carats of rough diamonds valued at almost $11.9 million (see table 1). The Government earned over $356,000 in royalties from these rough diamond exports.

26. The Government Diamond Office authorized the export of 96,438 carats of rough diamonds valued at $21.67 million between September 2007 and December 2009 (see summary of exports for 2007, 2008 and 2009 in annex II). Thus, between September 2007 and the end of September 2010, Liberia issued 197 Kimberley Process Certificates (not counting those that have been cancelled) authorizing the export of 108,388 carats of rough diamonds valued at $33.56 million. These exports have earned the Government a total of just over $1 million in royalties. The Panel notes that these exports are far below the projection of 200,000 carats per year estimated in 2007.[6]

[6] C. Thorman and K. Hoal, "Geological Assessment of Liberia's Diamond Producing Regions, Diamond Production Potential and Review of Liberia's Production History", Constella Futures International.

Table 1
Summary of Liberian rough diamond exports for January-September 2010
(United States dollars)

Time period	*Certificates (number)*	*Carats*	*Total value*	*Value per carat*	*Royalty*
January	5	2 290.64	527 841.83	230.43	15 835.25
February	6	1 381.57	626 515.30	453.48	18 795.46
March	10	1 247.49	406 735.02	326.04	12 202.05
April	7	1 644.91	7 577 825.59	4 606.83	227 334.77
May	8	1 271.34	398 361.27	313.34	11 950.84
June	4	199.16	674 210.20	3 385.27	20 226.31
July	3	1 857.00	529 007.26	284.87	15 870.22
August	3	1 027.34	214 638.17	208.93	6 439.15
September	2	1 031.84	928 858.00	900.20	27 865.74
Total	**48**	**11 951.29**	**11 883 992.64**	**994.37**	**356 519.79**

Source: Liberia Government Diamond Office.
Note: The Government Diamond Office data reports 51 Kimberley Process Certificates, but three of these were actually cancelled so the Panel has not included them in the total provided here.

27. There have been significant fluctuations in the quantity and quality of Liberia's exports since it resumed diamond exports early in September 2007. During 2009 exports decreased by over 40 per cent in weight from 2008, but increased by 56 per cent in value over the 2008 value. During the first nine months of 2010, the overall export volume fell compared to the same period in the two previous years (under 12,000 carats in 2010 compared to 18,000 in 2009 and 42,000 carats in 2008). The average value per carat has increased each year, from $122 in 2007, to $210 in 2008, to $329 in 2009. The average value per carat was $994 in the first nine months of 2010. This high average is owed to the export of some high quality diamonds, including a 194 carat rough diamond valued at over $6 million in April 2010 (see fig. 1), which skews the average.

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Figure 1
Special stone exported from Liberia in April 2010

Source: Liberia Government Diamond Office.

B. Assessment of implementation

28. During May 2010, Liberia submitted the update required by the 2009 Kimberley Process review visit report. The Kimberley Process Working Group on Monitoring reviewed this document and informed the Kimberley Process focal point in a letter in early October 2010 that a further review visit was not required at that time. However, the Working Group requested that Liberia provide further information on a number of specific items and requested an update at the plenary meeting to be held in Jerusalem in November. Liberia's Kimberley Process focal point submitted an update to the Kimberley Process at that meeting on 4 November 2010 and the Panel shared its perspective on challenges. The Chair of the Working Group confirmed that there was a need to continue to monitor implementation of the 2009 Kimberley Process review visit report and to cooperate with the Panel of Experts on Liberia.

29. In its 2009 report, the Panel noted that Liberia was not in compliance with data maintenance and sharing requirements (see S/2009/640, paras. 59-66). The Panel has accessed the Kimberley Process statistics website to assess Liberia's performance with respect to the requirement to keep and share rough diamond statistics. The Panel has concluded that there has been progress related to requirements for data maintenance and sharing, especially with regard to reporting of export statistics.

30. Liberia also has improved its reporting on imports (see table 2). Liberia has reconciled two shipments with the European Union from 2007 (see S/2008/371, paras. 133-137) and one shipment for 2008. However, the data of Liberia for the first two quarters of 2010 do not reflect three imports of 85.91 carats valued at just over $163,000. The Panel has informed the Liberia Kimberley Process focal point

that there are three outstanding shipments, which the focal point has said he will investigate.

Table 2
Liberia imports
(United States dollars)

Year	*Carats*	*Value*
2007	632.72	72 351.25
2008	76.01	12 758.00
2009	495.81	248 844.00
2010 (January-June)	85.91	163 511.00

Source: Kimberley Process statistics website (https://kimberleyprocessstatistics.org/).

31. In its 2009 report, the Panel noted that Liberia had not reconciled export data with other participants. In its review of the data available in October 2010, the Panel has found that Liberia's exports in terms of carats and values are still not completely reconciled with importing countries. Similarly, while Liberia's Kimberley Process certificate counts now match data that the Panel obtained directly from the Government Diamond Office, there is a need for Liberia and other participants to reconcile mismatched counts. Liberia reported 40 certificates in the first half of 2010, while importing participants reported only 33 certificates from Liberia. There is still a discrepancy of 6 certificates for 2009 and 15 certificates for 2008.

32. The Government Diamond Office has uploaded production data as required by the Kimberley Process Certification Scheme. The total production figures from Liberia are presented in table 3. The Panel notes that the total production in terms of carats and value is higher than the authorized exports of 104,473 carats valued at almost $31.9 million for that same period. Even assuming the excess production was exported between July and September 2010, the total export of 108,388 carats of rough diamonds valued at $33.56 million still leaves a difference of over 600 carats valued at over $2.2 million.

Table 3
Production statistics for Liberia
(United States dollars)

Period of production	*Carats*	*Value*
July-December 2007	21 699.74	2 657 541.58
January-June 2008	25 136.50	5 008 564.76
July-December 2008	21 870.00	4 883 220.58
January-June 2009	9 241.31	4 966 457.63
July-December 2009	19 126.96	6 294 115.31
January-June 2010	11 973.19	11 973 190.00
Total	**109 047.70**	**35 783 089.86**

Source: Kimberley Process statistics website.

33. According to the Kimberley Process, the annual report of Liberia to the Kimberley Process needs to be strengthened so that it clearly presents a more detailed description of its import and export processes and its internal controls system. Liberia is also requested to present details on industry self-regulation, and follow-up to statistical discrepancies identified in previous years, and to explain why the average dollar per carat value for Liberian diamonds rose so dramatically in 2009. Liberia also needs to reconcile the remaining discrepancies between the statistics reported in the annual report and the statistics reported on the Kimberley Process statistics website. Furthermore, it would help if Liberia reported on individual infringement cases or on processes and procedures to handle infringements.

34. Liberia has expressed concern in its annual report and its update report that it is not receiving import confirmation from many participants, including the United States. The Panel discussed this issue with Liberia and the United States Government representatives, and it appears that these two countries have a viable option for dealing with import confirmations for exports to the United States that should address Liberia's concern.

C. Update on Kimberley Process recommendations and Liberia's system of internal controls

35. In terms of recommendations from the Kimberley Process review visit of 2009 to improve compliance, the Panel notes that there has been some activity in Liberia but that the necessary commitment to achieve tangible progress appears to remain low. Improved management of the diamond sector does not appear to be a high priority, and perhaps this is not surprising given low official production figures and revenue generated for the Government.

36. After a 14-month hiatus, the Presidential Task Force on Diamonds held meetings on 10 December 2009, 8 January 2010, 23 February 2010 and 1 April 2010. Then there was a six-month break before the next meeting of 30 September 2010. While the Task Force has endorsed a transition to a Precious Minerals and Kimberley Process Oversight Committee, the Ministry has not been able to provide the Task Force with any update related to the letter it is supposed to have sent to the President to obtain her approval for this transition.

37. The Task Force reconvened a technical committee to work on an action plan (or matrix) related to Kimberley Process review visit recommendations. The technical committee has revised the matrix based on input from civil society. However, while there have been a number of meetings and discussions of the technical committee related to the action plan/matrix, it is hard to pinpoint specific progress and activities.

38. Both the Kimberley Process 2009 review visit report and the December 2009 report of the Panel (S/2009/640) noted that some of Liberia's regional diamond offices were not in operation at the time of the 2009 review visit. The General Auditing Commission of Liberia reported similar problems based on an assessment of the functioning of the regional offices in late 2009. The Audit team found that

many of the eight regional offices they visited were not functional or that staff were uncooperative.[7]

39. During 2010, the Panel visited a number of the regional diamond offices and found some not functioning or closed during business hours (Tubmanburg and Saniquellie). In Ganta, a regional diamond officer asked the Panel to return in the afternoon, but then disappeared, so the Panel found the office closed. In Gbargna, the Panel found the office closed but one of the officers working out of his home. He had the generator and other office equipment in his house.

40. Both the Panel and the Kimberley Process stressed the need for strengthening the rule of law. Recommendations included the establishment of full State control, improved collaboration, law enforcement training and insistence on application of the law. The Inspector General of the Liberian National Police has been appointed to participate in the Presidential Diamond Task Force. However, the Panel has not found any evidence of improved coordination or cooperation on the ground in the mining areas. This issue is discussed further in the section on natural resources, as it is a broader problem in Liberia's artisanal mining areas.

41. The Kimberley Process and the Panel also have noted that there is a need to address the issue of class C (artisanal mining) equipment use. However, it is unclear how the Ministry of Lands, Mines and Energy plans to deal with the issue in the long term, given the Ministry's response that miners want to use such equipment. Liberia should address whether the long-term solution is greater enforcement of the current rules or a modification of the rules. Liberia also needs to more clearly identify the plans for increased short-term enforcement of the current system.

42. The annual report of Liberia to the Kimberley Process indicated that authority for licenses should be transferred, while the update report on the 2009 Kimberley Process review visit discusses letters written to offending dealers and indicates early results. It is unclear what the basis for authorizing the transfer was and whether the transfer of authority has occurred. It is also unclear whether Liberia has investigated those companies, or considered reporting to the Kimberley Process, those that have closed or were penalized. It is also not clear whether companies paid their fines or whether licenses are being renewed for non-performers.

43. The annual report to the Kimberley Process indicated that training workshops would be conducted to increase vigilance of border police and that lines of communication would be established between the Ministry of Lands, Mines and Energy and other authorities. However, the update on the 2009 review visit recommendations does not reference either action, but instead refers only to the deployment of new inspectors and attendance at the Kimberley Process enforcement seminar held in June 2010. The Ministry of Lands, Mines and Energy needs to clarify these points and whether a letter was delivered to the Ministry of Justice, as indicated in the annual report.

44. The annual report to the Kimberley Process indicated that procedures would be set up for administrative hearings related to judicial agency enforcement. The update, however, discussed a letter from Minister Shannon. The Ministry needs to clarify the current status and whether procedures can be drafted prior to a response

[7] General Auditing Commission, HIPC Audit of the Ministry of Lands, Mines and Energy (February 2010).

to the Minister's letter. It would also be helpful if the Ministry could provide further updates on any particular Kimberley Process diamond-specific enforcement efforts undertaken by the Liberia National Police or the court system. Liberia also needs to provide information on whether specific cases previously identified by national authorities or others have been followed up.

45. The annual report of Liberia to the Kimberley Process discussed improved field logistics and stated that a study would be conducted as to the needs in this area, while the update indicated that motorbikes were purchased to increase the mobility of regional diamond officers. The Ministry needs to clarify what the results have been of the improved motorbike usage. The Panel notes that the Ministry identified efforts to increase public awareness of the Kimberley Process. Further involvement of society or the industry in these efforts would be ideal.

46. The Panel notes that the Government negotiations with the United States Government have resulted in a decision to move forward on the implementation of the Property Rights and Artisanal Diamond Development Programme (see S/2010/319, para. 44). This project may help to address underlying property rights issues that contribute to local level conflicts in communities and between artisanal miners and larger companies.

D. Further concerns about Ivorian diamonds

47. The Panel takes note that the Group of Experts on Côte d'Ivoire has concluded that illicit rough diamond trading networks in Liberia manipulate the country's internal control system and the Kimberley Process to introduce large numbers of Ivorian rough diamonds into the Liberian diamond trading system. The Group of Experts has also stated that it has uncovered evidence that diamonds exported from Liberia that were registered as being from western Liberia actually had morphological features that matched diamonds of Ivorian origin. The investigations of the Group of Experts have also enabled it to identify more actors working throughout the region, in addition to those identified during 2009 by the Group and the Panel.

48. The Panel has discussed this issue further with the Chair of the Working Group on Diamond Experts, who stressed that morphological similarities cannot be mistaken for evidence. Rather, the morphological similarities can only be used to conclude that the presence of Ivorian diamonds cannot be excluded. This approach has been the basis for concerns on some previous shipments, most notably one shipment exported as part of the stockpile in 2007 (see S/2007/689, paras. 39-41 and S/2008/371, paras. 120-122).

49. The Panel notes that some of the exporters identified by the Group of Experts have a history of participating in the diamond trade in other countries in the region. In one case, as discussed in a previous report of the Panel, an owner of Yuly Diamond Company was arrested in Mali for diamond smuggling (see S/2009/640, paras. 67-71). As a result of the risk factors in Liberia, the Panel has always stressed to the Liberia Government Diamond Office the need to be vigilant about the potential infiltration of Ivorian diamonds into Liberia's shipments and potential abuse of its system of internal controls. Given the conclusions of the Group of Experts on Côte d'Ivoire, further investigation is required to determine whether Ivorian diamonds have been exported in rough diamond shipments from Liberia.

50. However, the Panel notes that the total export of diamonds from Liberia is quite low in relation to the Group of Experts' estimated production of rough diamonds in Côte d'Ivoire. Liberia's production and exports have also declined over the past two years and there are ongoing concerns about the illegal export of Liberian production to neighbouring States and further afield. Thus, while there remains the potential that Ivorian diamonds have been and are being exported through the Liberian system, it would be only on a small scale. Both Liberia and participants receiving shipments from Liberia (and other countries in the region) need to conduct due diligence and ensure that Liberia (and other countries in the region) are not used to launder Ivorian diamonds into the legitimate trade.

51. The Panel has requested previously that an export footprint be developed for Liberia (S/2009/640, paras. 72 and 190) and has provided documentation for this work to the Kimberley Process Working Group on Diamond Experts. However, the Chair of the Working Group had previously told the Panel that it also required digital photographs of diamonds exported from Liberia. The letter of 17 July 2010 from the Kimberley Process Chair to the Panel noted that the Working Group has requested the Liberian authorities to provide detailed information and digital photographs from the different diamond producing areas in Liberia. This data has not yet been received, but the Kimberley Process has expressed its commitment to producing a production footprint upon receipt of this information. However, as of early November 2010, the Working Group on Diamond Experts still had not received the required data from Liberia to produce either a production or export footprint. This work needs to be conducted and the Chair of the Working Group on Diamond Experts stated in his presentation to the plenary meeting that this would be a priority within the next few months.

52. The Panel notes that the Kimberley Process has expended considerable amounts of energy on dealing with the situation in the Marange diamond fields in Zimbabwe during the course of the past 18 months. The Panel recognizes the importance of addressing more broadly the situation in Zimbabwe. However, the ability of the Kimberley Process to focus only on one issue raises serious questions about its limitations. Discussions and actions about United Nations-sanctioned Ivorian diamonds and the situation in West Africa have been relegated to the margins of discussions. However, the Panel notes that the Kimberley Process Chair for 2010 convened a session on West Africa at the plenary meeting on 2 November 2010 and that there has been a focus on enforcement issues during 2010. These efforts included a workshop on enforcement following the intersessional meeting in Tel Aviv on 24 June 2010, which included a West Africa session. The West Africa session focused on the results of enforcement dialogue sessions convened in May and June 2010 in Liberia, Côte d'Ivoire, Guinea and Sierra Leone, which developed enforcement "profiles" and specific points of action for the future.

E. Conclusion and recommendations

53. Liberia has improved its sharing of trade data and Kimberley Process certificate counts. It still needs, however, to exert greater efforts to improve its implementation of the 2009 Kimberley Process review visit report recommendations to address concerns about its internal controls system.

54. Given ongoing concerns that there may be potential infiltration of Ivorian diamonds into Liberia's diamond exports, the Panel encourages the Kimberley Process and Liberia to develop a production footprint and export footprint for Liberian diamonds.

55. The Panel recommends that the Kimberley Process continue to monitor progress in Liberia with regard to improved implementation of its system of internal controls and progress in addressing 2009 Kimberley Process review visit recommendations.

56. The Panel recommends that the Government of Liberia refocus its priorities with respect to the Kimberley Process and emphasize its enforcement activities and ensure that the relevant agencies within Liberia (Ministry of Lands, Mines and Energy, Liberia National Police, other relevant security agencies) collaborate on investigations.

V. Natural resources: contributions to peace, security and development

57. The Panel conducted investigations in a number of areas to assess the contribution of forestry and other natural resources to peace, security and development in Liberia within the context of the country's evolving legal framework. The methodology of the Panel was threefold: a review of literature on natural resource governance in peacebuilding contexts; a review of Liberia's legal framework; and an assessment of current activities in the natural resource sectors in relation to Liberia's evolving legal framework.

58. After reviewing the literature, the Panel adopted the general approach outlined in a report by the United Nations Environment Programme (UNEP) on natural resources and their role in conflict and peacebuilding contexts.[8] The authors of the report argue that there are three important areas of environmental opportunity: supporting economic recovery; developing sustainable livelihoods; and dialogue, confidence-building and cooperation.

59. The authors also identify specific areas of action can be identified at the intersection of these areas of opportunity with the Organization for Economic Cooperation and Development's peacebuilding pillars of socio-economic development, good governance, reform of justice and security institutions, and a culture of justice, truth and reconciliation (see annex III of the report). The presupposition is that integrating environmental factors into a peacebuilding agenda can help contribute to reconciliation and build trust, as well as helping to ensure that natural resources contribute to peacebuilding through economic development and the generation of employment. However, natural resources can only help strengthen the post-war economy and contribute to economic recovery if they are managed well and in an accountable, transparent and sustainable manner.[9]

[8] United Nations Environment Programme, "From Conflict to Peacebuilding: The Role of Natural Resources and the Environment", UNEP (Nairobi, 2009).

[9] The Panel notes that the United Nations and the European Union have now partnered to provide support to national stakeholders and United Nations and European Union officials to better understand and prevent tensions over environmental issues and management of natural resources. Further information on this partnership is available at www.unep.org.

60. The Panel has attempted to examine these environmental areas of opportunity within the lens of the more specific direction from the Security Council to examine Liberia's progress within the context of the country's evolving legal framework. Thus, the Panel has reviewed Liberia's new legal requirements for improved governance of natural resources and has identified five particular requirements: transparent and competitive concession allocation processes; transparency and accountability in payments and revenues from natural resources; public participation; access to information; and benefit sharing. The Panel has also reviewed the vision of the Government for consolidating natural resource governance in post-conflict Liberia.

61. The Panel also reviewed developments in the natural resource sectors in Liberia in order to assess progress in implementing the country's evolving legal framework. Given the range of Liberia's resources, the Panel focused on the sectors covered by the Liberia Extractive Industry Transparency Initiative (LEITI) process: forestry, mining (diamonds, gold, iron ore), oil and gas; and agriculture (rubber and oil palm concessions). The Panel has considered land as well as other natural resources, given the underlying role that land tenure and access has played in Liberia's history. Specifically, the Panel collected data on both formal, licensed activities and informal, unlicensed activities occurring in the resource rich areas of Liberia. Relevant data included licenses and concession agreements, formal revenue and employment data, informal sector data, opportunities and challenges, and information on any disputes and ways used to resolve them.

A. Liberia's vision for the role of natural resources

62. Liberia is a country rich in natural resources. The country's natural resource base includes fertile land (good for agriculture and tree crops such as rubber and oil palm), extensive forests (timber and non-timber forest products), mineral resources (iron ore, gold, diamonds and bauxite), and the ocean and coastal areas. However, some of Liberia's resources are identified as having played a role in the history of conflict. The Government of Liberia acknowledges this in its poverty reduction strategy for the period 2008-2011, which highlights that, while the causes of violent conflict in Liberia are "multifaceted, deep-rooted and complex", the mismanagement of natural resources, including unequitable growth and land-related tensions, played a role in Liberia's conflict.

63. In the poverty reduction strategy, the Government has stressed that six issue areas, including land conflicts and mismanagement of natural resources, require focused attention to mitigate their potential to mobilize groups for violent action.[10] The Government has identified three specific, critical steps to ensure that benefits from natural resources are widely shared. The first step is a commitment to negotiating concession contracts that balance competitive returns for the investor with the need for sustained revenues for the people of Liberia. In the strategy, the Government has asserted that "the secretive, special deals of the past that benefited a few to the detriment of the majority will be replaced by transparent agreements

[10] See Government of Liberia, Poverty Reduction Strategy (2008). The other four issues are the condition of youth, especially with regard to employment; political polarization; the relationship between the State and its citizens; and weak and dysfunctional justice systems (2008). Available at www.emansion.gov.lr/doc/Final%20PRS.pdf.

with fairer terms and stronger mechanisms to ensure the proper distribution and spending of funds". The second step is to ensure that all payments to, and revenues received by, the Government (including all royalty and tax payments) are publicly, transparently and fully reported. The third step was a commitment to the use of concession revenues to promote public welfare by financing investments in roads, education, health, water and other areas.[11] The Government also recognized that access to land and resources, as well as security of tenure, are essential for economic revitalization, growth and poverty reduction.

64. The forestry sector is identified in the poverty reduction strategy as an important source for higher incomes for the rural population and equitably shared benefits.[12] The strategy ensures that forests will be managed sustainably. It also projects short-term rapid growth, with logging production to grow to more than 1.3 million cubic metres by 2011, with approximately 2.9 million hectares of forest being used for commercial and community forestry. Rural employment in this sector is targeted at 5,000 for the three-year period of the strategy, while revenues were projected to have grown from $0.5 million in fiscal year 2007/08 to $24 million in fiscal year 2008/09, and from $36 million in fiscal year 2009/10 and $46 million in fiscal year 2010/11.

65. The mining sector is identified as a sector that would once again contribute to Liberia's development.[13] The poverty reduction strategy states that iron ore, diamond, gold and other mining activities are expected to expand rapidly in the next few years. This growth would be led by the Arcelor Mittal iron ore mine concession (expected to bring $1.5 billion in investment). The poverty reduction strategy projected rapid growth from near zero production in 2005/06 to almost 12 per cent of GDP by 2010/11 and the potential for the sector to contribute significantly to employment, income generation and infrastructure development.

66. Agriculture is identified as a significant area for employment. The poverty reduction strategy identified agriculture as the "bedrock of the economy", given its importance in providing livelihoods for the majority of Liberians, especially for women and children. It stated that a vibrant agricultural sector is central to reducing poverty, providing food security and ensuring progress towards the Millennium Development Goals. More recently, the Government of Liberia has launched a visioning exercise to prepare for the period after the end of the current poverty reduction strategy.

67. The Panel notes that Liberia has received funding under the Peacebuilding Fund and that some of this money has been targeted for the Governance and Lands Commission ($750,000) and the Anti-Corruption Commission ($500,000). The Panel notes, however, that these funds account for just over $1.25 million of the

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[11] See Government of Liberia, Poverty Reduction Strategy (2008). Available at www.emansion.gov.lr/doc/Final%20PRS.pdf.

[12] Prior to 2003, the forestry sector was a major contributor to economic growth in Liberia. Total annual log and timber production peaked at 1 million cubic metres, with a value of approximately $100 million. An average of 7,000 persons was employed in the sector. Forestry contributed approximately 50 per cent of Liberian export earnings and about 20 per cent of gross domestic product (GDP).

[13] Prior to the conflict, between 1960 and 1980, mining of iron ore was a mainstay of the Liberian economy, accounting for about 10 per cent of national GDP.

$15 million allotted under the allocation that Liberia received.[14] It is not clear to the Panel whether natural resources are identified as a priority or component of the next phase of funding activities related to the Peacebuilding Commission.

68. The goal of the Government for "Vision 2030" is for Liberia to be a middle-income country by 2030. The President stated in her speech to the United Nations General Assembly on 24 September 2010 that the Government had attracted "$16 billion in private investment in the reactivation of our mining, agriculture and forestry sectors. A new potential lies recently in oil exploration".[15] She concluded her speech by stating that the Government of Liberia's "new vision of a Rising Liberia seeks to move us to a middle-income country by the year 2030. This is an aggressive goal but we are determined, and through efficiency in the allocation and use of our natural resources, we will succeed".

B. Liberia's evolving legal framework for natural resource governance

69. Since 2006, Liberia has enacted a number of new pieces of legislation related to natural resource governance. These laws address a number of areas of generally agreed principles of good governance related to natural resources, including requirements for competitive and transparent concession allocation processes, revenue/payment transparency, and benefit-sharing requirements.[16] These pieces of legislation are complemented by many pre-existing laws that address environmental and natural resources, including the Environmental Protection Act.

70. The Act Creating the Public Procurement and Concessions Commission includes provisions for planning of concession allocation processes, competitive bidding processes for concessions, and checks and balances in the evaluation and negotiation phases of concession allocation. The executive branch introduced revisions to the Act, which were reviewed by a joint Senate-House Committee during August 2010. The legislature passed the bill on 16 September 2010 and the President signed the revised Act on 23 September 2010.

71. The Public Procurement and Concessions Committee Act revisions are broad but include a number of revisions related to the allocation of natural resource concessions for petroleum and mineral resources, in many cases bringing Liberia's laws into line with best practice elsewhere. Specific changes allow the allocation of prospecting and mining licences, and mineral exploration licences, without a competitive bidding process for areas where the Government does not have sufficient mineral data to tender concession areas. These revisions are based on recommendations that emerged from the contract and concession review process.[17]

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[14] See summary on the Peacebuilding Commission website, available at www.unpbf.org/liberia/liberia-projects.shtml (accessed 9 November 2010).

[15] Speech of President Johnson Sirleaf to the General Assembly on 24 September 2010 (available at www.emansion.gov.lr).

[16] There are also various pieces of broader legislation that affect natural resource management. The latter include the Public Financial Management Act, the National Investment Code, and the Revenue Code. The Panel, however, does not have access to revisions to either the Investment Code or the Revenue Code.

[17] Contracts and Concessions Review Committee, Final Review Report: Review of the Contracts and Concessions Executed by the National Transitional Government of Liberia, European Commission (January 2007).

72. Liberia enacted the National Forestry Reform Law in October 2006, after which the Security Council confirmed its lifting of the sanctions on timber. The Forestry Development Authority signed 10 core forestry regulations into effect on 11 September 2007 and three more regulations were approved during July 2009. The Law is based on commercial forestry, conservation and community forests and encompasses a broad set of reforms designed to ensure sustainable management of Liberia's forests. It requires competitive, transparent bidding for concession allocation, the prequalification of companies, and stakeholder consultation (see previous summary of requirements for commercial concession allocation in S/2008/371, S/2008/785, S/2009/290 and S/2009/640).

73. Liberia joined the Extractive Industries Transparency Initiative to strengthen accountability and transparency in managing funds generated through natural resource-based activities.[18] The Act establishing the Liberia Extractive Industries Transparency Initiative (LEITI) passed into law on 11 June 2009 by the Senate and approved by the President on 10 July 2009. The Act establishes LEITI as an autonomous agency that is comprised of a broad coalition of stakeholders. The objective of LEITI is to ensure that all revenues from natural resource sectors (mining, oil and gas, agriculture and forestry) are paid, duly accounted for and prudently used for the benefit of all Liberians. LEITI also contains a requirement for an annual audit of natural resource concession awarding processes.

74. The National Forestry Reform Law of 2006 required the passage of legislation on community rights with respect to forest lands. After considerable consultations and the development of various versions, the Liberian legislature passed the Act for Community Rights with respect to Forest Lands in late September 2009, which was approved by the President on 16 October 2009. The Forestry Development Authority has developed draft regulations, which are now being vetted by it and partners.

75. The President signed into law an Act to establish the Land Commission of the Republic of Liberia on 4 August 2009. The Land Commission is now operational and conducting consultations. Its mandate and purpose is to propose, advocate and coordinate reforms of land policy, laws and programmes in Liberia. The Commission has no adjudicatory or implementation role. The Commission has commenced consultations regarding land reform and land disputes.

76. Other laws and regulations are under development and/or under consideration. Most recently, the executive branch forwarded a bill for the establishment of a national bureau of concessions, which would play a key role in concession allocation and monitoring. The bill was reviewed by a joint committee of the House and Senate in August 2010, at which time legislators expressed considerable concern about the potential impact of this proposed entity on the jurisdiction of the National Investment Commission. The bill was not passed prior to the legislature going on break in September 2010.

77. The National Forestry Reform Law requires that the Forestry Development Authority develop legislation on wildlife conservation and protection. The Forestry Development Authority has developed a draft framework law for wildlife conservation and protection. The Acting Managing Director of the Forestry Development Authority informed the Panel in mid-August 2010 that the Authority

[18] See Government of Liberia, Poverty Reduction Strategy (2008). Available at www.emansion.gov.lr/doc/Final%20PRS.pdf.

had vetted the draft law but that the consultation document was not yet complete. The Legislature passed the legislation to create Lake Piso National Park on 16 September 2010.

C. Industrial natural resource concessions

78. Over the course of the past four years, the Government has allocated various industrial natural resource concessions, agreements and licences as part of its strategy to achieve the goals of the poverty reduction strategy.

Forestry concessions

79. Since the lifting of sanctions, Liberia has allocated seven large forest management concessions and a number of smaller concession areas. The first three forest management contracts were signed by the President and ratified by the legislature in late May 2009. The President of Liberia signed the three Acts into law on 27 May 2009. The next four forest management contracts were awarded in late August 2009, ratified by the legislature on 23 September 2009 and signed into law by the President on 30 September 2009.

80. The Forestry Development Authority has allocated 10 timber sales contracts for areas of 5,000 hectares. However, only nine are active as the Authority terminated B&V's timber sales contract A6 in August 2010.[19] It has also approved two private use permits. The active contract and permit areas total 1.079 million hectares (see table 4). Five companies are now exporting timber from Liberia. They had exported a total of just over 6,000 cubic metres of timber as at the end of October 2010.

Table 4
Logging concessions as at 1 October 2010

Company	*Concession area*	*Area (hectares)*
Alpha Logging	FMC A	119 240
EJ&J	FMC B	57 262
LTTC	FMC C	59 374
Euro-Liberia	FMC F	254 583
Geeblo Logging	FMC I	131 466
ICC	FMC K	266 190
Atlantic Resources	FMC P	119 344
Tarpeh Timber	TSC A2	5 000
Akweba Group	TSC A3	5 000
B&B	TSC A7	5 000
Thunderbird International Liberia	TSC A8	5 000
B&V	TSC A9	5 000
B&V	TSC A10	5 000

[19] See Forestry Development Authority press release of 26 February 2010. Available at www.fda.gov.lr/press.php?news_id=249.

Company	*Concession area*	*Area (hectares)*
Bassa Timber and Logging	TSC A11	5 000
Sun Yeun	TSC A15	5 000
Sun Yeun	TSC A16	5 000
Exowood (Texas International)	Private use permit	4 058
Universal Forestry Corporation	Private use permit	22 831
Total		**1 079 348**

Source: Panel of Experts, derived from contract information and Societe Generale de Surveillance S.A. chain of custody updates.
Abbreviations: FMC, forest management contract; TSC, timber sales contract.

Mineral concessions and licences

81. According to the most recent Mineral map of the Ministry (8 September 2010), there are three mineral development agreements and two class A licences totalling 157,570 hectares. In addition, the map shows 70 exploration licences granted to 34 companies totalling almost 3.19 million hectares. The Panel notes that BHP Billiton for the Kitoma Range and Manu River Resources Incorporated for the Putu Range now have mineral development agreements, so these figures are not current as at 1 November 2010. Annex IV to the report provides a list of mineral exploration agreements and mineral development agreements as at 8 September 2010. Annex V illustrates an example of a mineral exploration licence, although the Panel notes that it does not contain a specific date at which it becomes effective or at which it expires.

82. The Ministry of Lands, Mines and Energy has also issued a number of class B mining licences for smaller scale industrial mining activities (see table 5). More than two thirds of these licences are in the gold sector. A list of licence holders is provided in annex VI.

Table 5
Class B mining licences allocated in 2009
(United States dollars)

Class B mining	*Quantity*	*Unit price*	*Total price*
Gold	20	5 000	100 000
Diamond	8	5 000	40 000
Total	**28**		**140 000**

Source: Ministry of Lands, Mines and Energy.

Oil exploration

83. Since 2005, the Government has allocated 12 offshore oil exploration areas (see table 6). These were allocated to seven companies. The Government issued a call for bids on its final five exploration blocks in 2009. The closing of the bid round was in March 2010 and seven companies submitted bids. The National Oil

Company of Liberia (NOCAL) announced a call for expressions of interest to conduct due diligence in April 2010.

Table 6
Oil production sharing contracts

Company	*Block(s)*	*Date of effect*
Oranto Petroleum Pty Ltd (70% share to Chevron as of September 2010)	LB-11 and LB-12 LB-14	22 May 2007 23 July 2009
Broadway Consolidated	LB-13	22 May 2007
Woodside West Africa Pty. Ltd.	LB-15	22 May 2007
Regal Liberia Limited	LB-8 and LB-9	23 June 2008
Repsol Exploration S.A.	LB-16 and LB-17	23 June 2008
Anadarko Liberia Company	LB-10	23 July 2009
Hong Kong Tong-Tai Petroleum International Corporation	LB-6 and LB-7	

Source: Available contracts and Chevron press release.

84. On 8 September 2010, Chevron Corporation announced that it had received approval from the Government of Liberia to take control of a 70 per cent interest in three deep-water concessions off the coast of Liberia. The three concessions are LB-11, LB-12 and LB-14, granted to Oranto Petroleum Pty Ltd. They cover a combined area of 960,000 hectares. Under the agreement with the Government, Chevron's Liberian subsidiary will conduct a three-year exploratory programme that is expected to begin in the fourth quarter of 2010.[20]

Agriculture concessions

85. In terms of agriculture, the Government has renegotiated or allocated somewhere between almost a million hectares, according to data the Panel has been able to obtain (see table 7) and 1.6 million hectares, according to the World Bank.[21] These concessions include rubber and oil palm plantations, as well as a rice farm in Lofa County.

86. Most rubber and oil palm concessions have resulted from renegotiations of old concessions and it has been difficult to obtain information on the renegotiations, except for copies of some contracts available through the LEITI website. These renegotiations include the granting of the Guthrie Rubber Plantation (plus a large area of non-planted land) to Sime Darby and the Decoris Oil Palm Plantation to

[20] See Chevron press release, "Chevron to Acquire Deepwater Interest Offshore Liberia", 8 September 2010. Available at: www.chevron.com/chevron/pressreleases/.

[21] See World Bank, *Rising Interest in Farmland: Can It Yield Sustainable and Equitable Benefits?*, World Bank (Washington, D.C., 2010). Available at http://investor.chevron.com/phoenix.zhtml?c=130102&p=irol-news&nyo=O. The Panel attempted to verify the concessions that contribute to the World Bank figure but had not received a response by the time of completion of the Panel report.

SIFCA, a leading African agribusiness group, involved in the cultivation, processing and marketing of vegetable oil, natural rubber and cane sugar, which has recently led to some controversy in Maryland County. More recently, the Government negotiated a concession agreement with Golden Veroleum for a palm oil concession of 260,000 hectares in south-east Liberia.

87. Some rubber plantations continue to be the subject of land and labour disputes. The Liberian Agriculture Company plantation in Grand Bassa County has intermittent problems related to land and labour issues. The manager of the Salala Rubber Company informed the Panel that there were outstanding issues regarding land in their concession area. Ownership of the Sinoe Rubber Plantation is not yet resolved and the Government has given only a management contract to the Lee Group, which has a new rubber processing plant in Margibi County.

Table 7
Agriculture concessions

Company (owner of plantation)	*County*	*Area (hectares)*	*Product*	*Year*
Cavalla	Maryland	8 094	Rubber	1982
Cocopa	Nimba	10 117	Rubber	1947
Firestone	Margibi	47 753	Rubber	1926
Liberian Agriculture Company	Grand Bassa	121 406	Rubber	1959
Salala Rubber Company	Bong	8 498	Rubber	1952
Sinoe Rubber Plantation	Sinoe	242 811	Rubber	1953
Sime Darby (Guthrie Plantation)	Bomi, Bong, Gbarpolu, Grand Cape Mount	220 000 40 000*	Rubber and oil palm	2009 (original 1957)
Golden Veroleum Liberia Incorporated (GVL)	Grand Kru, Maryland, River Cess, River Gee and Sinoe	220 000 40 000*	Oil palm	2010
SIFCA	Decoris, Maryland County			2010
ADA	Lofa	15 000	Rice	
Equatorial Biofuels	Butaw, Sinoe	8 010	Oil palm	2007
Equatorial Biofuels	Grand Bassa	13 962	Oil Palm	2007
Total		**995 651**		

Source: Various contracts and press releases.
Note: * outgrower areas.

D. Artisanal and informal sectors

88. There are also various types of artisanal and informal, or illicit, activities related to natural resources throughout the country, as noted in the midterm report of the Panel (S/2010/319). These activities range from unlicensed logging, or "pit-sawing" activities, through illegal rubber tapping, to both licensed and unlicensed artisanal mining activities in the gold and diamond sectors. Most illicit activities fluctuate with the value of the commodity. For example, different sources informed

the Panel that rubber theft had decreased while rubber prices were low, but that they were on the increase again in 2010 owing to higher prices. Similarly, miners moved from diamond to gold mining areas during the economic recession, which led to a steep decline in demand for and the value of diamonds.

89. During the course of the mandate, the Panel visited many mining areas. The scale of activity in the mining sector is difficult to estimate, but there are many instances of unlicensed mining activities occurring throughout the country. In some areas, such as the Voinjama Mining Agency, there are documented cases of widespread gold mining even though there were no class C licences in the area as at March 2010. Similar reports of mining areas can be found in most areas of the country, including Maryland and Grand Kru Counties. A recent letter from the Minister of State for Presidential Affairs (see annex VII) and an accompanying document from the Ministry of Lands, Mines and Energy attest to the challenges of licensing and monitoring these activities. There are allegations of mining officials being involved in the conduct of illicit/illegal activities (see allegations by a mining inspector in annex VIII).

90. There are various concerns about these activities in what are often remote and unmonitored areas. In some cases, the mining activities appear to be under chains of command by former combatants. The Panel has received reports of these types of activity in mining camps in Grand Cape Mount, Gbarpolu and Lofa Counties. In other cases, there are allegations of the presence of arms and drugs. In River Cess County, a district official informed the Panel that motorcyclists were taking drugs into mining camps in the county, and that in one case the motorcyclist had threatened a local official with a single barrel pistol (see section VI of the present report for further details on the presence of these weapons in Liberia). The Panel has also been informed of an alleged case of weapons in a mining camp in Gbarpolu County. UNMIL and local police have not been able to reach this area to verify the allegation but were still looking into the case in early November 2010.

91. The Ministry of Lands, Mines and Energy and the Liberia National Police do not appear to be working together. In some cases, Mining Agents actively attempt to prevent the interference of other agencies in mining areas. For example, the Assistant Superintendent for Development of Lofa County and UNMIL staff informed the Panel in early October 2010 that the local Mining Agent had written a letter to the Superintendent stating that security agency staff should not visit the local gold mining areas in his absence.

92. There are also a few cases of alleged involvement of Ministry staff involved in or condoning violence. In Henry Town, Gbarpolu County, the Panel met a Mining Agent who had his own "investigator", but the investigator admitted to the Panel that he was not a government employee. Police, district officials and UNMIL staff informed the Panel that on 25 May 2010 the "investigator" and his team had beat an illegal miner so badly that he had had to be hospitalized.[22] The police and UNMIL stated that the Mining Agent's team also allegedly took the miner's gold; the entire case is still under investigation by Gbarpolu police. Police officers residing in Henry Town informed the Panel that the Mining Agent had never approached them for assistance to make an arrest. In another case, in Nimba County, mining officials

[22] Panel of Experts, discussions with stakeholders in Henry Town, Gbarpolu County, in June 2010.

were accused in March 2009 of beating up and stabbing two individuals alleged to be smuggling gold (see annex XI).

93. During 2010, the Forestry Development Authority and some Superintendents in the south-east were focused on the issue of illegal miners in Sapo National Park. There were discussions in mid-2010 about using the Emergency Response Unit of the Liberia National Police and the Armed Forces of Liberia (AFL) to evict the illegal miners. However, there did not appear to be a well-developed plan for the eviction or a plan of what to do with those evicted (estimated at more than 10,000 miners). Although the idea of using AFL was eventually discarded, there are reports that miners have left voluntarily after a 1 October 2010 deadline. There are recent reports of fighting between miners and local citizens near Saygbaken Village, Sinoe County. A preliminary investigation by UNMIL has revealed that fighting occurred when Forest Development Authority rangers, local authorities and community members attempted to evict occupants from the Park.

E. Concession allocation

94. As noted earlier, Liberian law now requires that natural resource concessions are allocated according to fair and competitive bidding processes. The Public Procurement and Concessions Commission Act, which applies to all concession allocations, specifically requires that there are concession planning processes, issuance of concession certificates and competitive bidding that results in transparent selection of winners with whom the Government (through a negotiation team) then negotiates a concession agreement.

Concerns with concession allocation

95. Some high-level officials have expressed their concerns to the Panel about the concession-based model being pursued by the Government. One individual stated that the Government was allocating land to foreign companies and not ensuring the land rights and food security of its own people. Other officials stated that concession areas were too large and granted for too long, especially for unknown companies, and that it was less expensive for companies to obtain land than it was for the citizens of the country. These concerns reflect more broad-based concerns about large-scale land allocations (sometimes referred to as "land grabs") in recent publications in Africa and other continents, both by the Special Rapporteur on the right to food and the World Bank, in a publication on agricultural land concessions.[23]

96. In past reports, the Panel has documented issues with the allocation process for forestry concession areas (see S/2008/785 and S/2009/640). These problems have included the non-application of rules for competitive bidding processes and for prior informed consent and planning through requirements for certificates of concession. It also included the allocation of a concession (area FMC A) where community members claimed to have a land deed. The problems in the second round of concession allocation led four logging companies to file a case against the Forestry Development Authority regarding the allocation of the second round of forest management contracts (areas F, I, K and P), claiming that the concessions were not

[23] World Bank, *Rising Global Interest in Farmland: Can It Yield Sustainable and Equitable Benefits?*, World Bank (Washington, D.C., 2010).

allocated according to the National Forestry Reform Law and the Public Procurement and Concessions Commission Act.

97. On 24 September 2010, the Liberian non-governmental organization Sustainable Development Institute filed a request, on behalf of communities in River Cess County affected by Forest Management Contract B, with the World Bank Inspection Panel to have the role of the World Bank in forestry reforms and projects reviewed. The request claims that the World Bank has not followed a number of its own guidelines in funding three forest projects for Liberia and cites numerous problems with concession allocation.

98. There have also been problems with the allocation of some mining concessions, although it is harder to verify these given the lack of transparency in the process. The allocation of the "western cluster" iron ore deposit has been extremely problematic, with the Government having to re-tender the ore deposit after a failed first round. While the concession was allocated in a second round to Elenilto Minerals and Mining Limited, an Israeli company, there appear to be ongoing problems with the agreement and the Panel has not been able to verify that the agreement has been finalized.

99. The Panel has conducted investigations to determine whether the Golden Veroleum concession was allocated according to the requirements of the Public Procurement and Concession Commission Act. The Panel has not been able to find any evidence of concession planning or competitive bidding for this concession. Officials at the Public Procurement and Concession Commission denied any knowledge of this concession or the process that led to the allocation of the concession on two separate occasions.[24] Officials at the Ministry of Finance confirmed that the Public Procurement and Concession Commission was not reviewing concession processes and that the Golden Veroleum concession had not been subject to the regular process.

100. The Panel further notes that the Government has highlighted the extensive experience and good track record of Golden Agri-Resources as an important factor. However, as part of the review under the auspices of the Roundtable on Sustainable Palm Oil (RSPO), a grievance panel found that there was serious non-compliance with the RSPO Code of Conduct, specifically a failure by PT SMART (a subsidiary of Golden Agri-Resources) to work towards implementation and certification of the RSPO Principles and Criteria. Furthermore, the grievance panel stated that Golden Agri-Resources "should not publicly suggest that it is in the process of obtaining RSPO certification of all its operating units, nor should the company publicly claim that it plans to become an RSPO member. GAR [Golden Agri-Resources] is not a member of the RSPO, nor has the RSPO yet received a membership application from the company".[25]

[24] The Panel discussed agriculture concessions with then Executive Director Peggy Varflay Meres on 18 August 2010 and with Joseph Neufville, Senior Technical Adviser and former Executive Director, on 6 October 2010. The Panel notes that both individuals were dismissed by the President of Liberia in mid-October 2010 in reaction to the report of the Special Presidential Investigative Committee on the Alleged Carbon Credit Deal.

[25] Grievance panel, RSPO Grievance Panel specifies required responses to non-compliances by PT SMART and Golden Agri-Resources (2010). Available at www.rspo.org/?q=page/1518.

Concerns about corruption

101. In her speech to the General Assembly on 24 September 2010, President Ellen Johnson Sirleaf acknowledged the challenges that her Government faces in combating corruption, but also highlighted some of the progress it had made, including the establishment of an Anti-Corruption Commission. The Panel notes that this challenge is indeed a significant issue for Liberia. During the course of the past few years, various individuals and companies have alleged that payments are routinely requested before the legislature will ratify a contract, or even confirm a presidential nominee. However, these conversations are usually off the record so the Panel is not at liberty to cite these discussions. Nevertheless, there are a few recent cases that illustrate the types of challenge that Liberia faces with regard to corruption.

102. The Auditor General's audit of NOCAL for fiscal year 2007/08 identifies an amount of $118,400 approved by the Chair of the Board of Directors — without the approval of the rest of the board — allegedly to use for lobbying fees for legislators to ratify petroleum contracts for Oranto Petroleum Limited and Broadway Plc. The team of the Auditor General has been able to confirm that $40,000 of this money was received by Alomiza Ennos-Barr, but not that any money was received by members of the Committee on Investment.

103. The Panel previously reported on an attempt to allocate a sole-source carbon credit concession covering 400,000 hectares (see S/2009/290, paras. 93-94). In that report, the Panel noted that the concession allocation process had not followed the required competitive bidding process, that various project documents were fraudulent and that the Managing Director of the Forestry Development Authority had finally withdrawn the request for a sole source contract.

104. During the first part of its mandate, the Panel was informed by various sources that an attempt was being made again to allocate such a concession but that little information was available. The Panel was able to obtain a copy of the draft contract that was under development (see map of areas from contract in annex X). On 4 June 2010, police in the United Kingdom arrested the president of Carbon Harvesting Corporation on charges of corruption related to a 400,000 hectare concession area for carbon credits. On 18 June 2010, the President of Liberia appointed a special presidential investigative committee on the alleged carbon credit deal. On 5 October 2010, the Committee Chair submitted the report of the Committee to the President.

105. On 12 October 2010, the President of Liberia issued a statement regarding the Committee report and announcing a number of actions recommended in the report, including requests to the Minister of Justice to conduct further investigations and possible prosecution of a Senator and the former Minister of Internal Affairs; to dismiss a staff member of the Forestry Development Authority and the Technical Adviser and Executive Director of the Public Procurement and Concession Commission and to forward them to the Ministry of Justice for further investigation and possible prosecution (see annex XI). In addition, the presidential statement said that the President would direct the Ministry of Justice to reprimand the Minister of Planning and Economic Affairs for failure to exercise due diligence by issuance of a blanket concession certificate covering forest management contracts.

106. Since the release of the report, there has been extensive criticism of the Committee and its report. Some individuals have challenged the Committee to

support its allegations and recommendations. Two members of the Committee released their own press statement on 28 October 2010 defending the report. In addition, the Committee members have released audio recordings of interviews with the Minister of Planning and Economic Affairs and the staff of the Public Procurement and Concession Commission supporting the Committee's citation of these interviews. The Panel considers this report and presidential action as significant. However, Government follow-up and judicial action will be crucial if this report is not to be meaningless in addressing corruption and lack of oversight in the concession allocation process.

Government capacity to monitor concessions

107. The World Bank notes that the monitoring of concession agreements is important for two reasons: first, it is not effective to expend large amounts of resources in negotiating agreements without effective mechanisms to ensure that stipulations are adhered to; and second, investments will be risky and failure of at least a share of them can be expected, so to ensure that assets are not tied up in non-viable enterprises, it is especially important to avoid incentives for speculation.[26] Given the Government of Liberia's stated reliance on the efficient and wise use of its natural resources to support equitable and inclusive growth to achieve its new goal of middle-income status by 2030, the Government has a dire need to ensure that it is prepared to monitor commitments made by companies and to meet its responsibilities, especially as social issues come up where (a) investors fail to adhere to agreements; (b) there are distributional issues; and (c) there are labour issues.[27]

108. However, the ability of Government ministries and agencies to monitor agreements for large concession areas is limited. The Panel has visited many forestry concession areas where the Forestry Development Authority officials have not had access to the contracts for areas they are supposed to monitor. The Minister of Agriculture informed the Panel that that Ministry was lacking in capacity and stated that any reporting or monitoring issues regarding agricultural concessions should be directed to the Ministry of Finance (even though the Ministry of Agriculture should have an important role in monitoring company activities in agricultural concessions). Similarly, the Government's ability to monitor smaller licences and non-licensed areas is very weak. County and district officials have often informed the Panel that they are unaware or uninformed by the Ministry of Lands, Mines and Energy about small-scale activities.

F. Revenue transparency and non-payment issues

109. The new legal framework prioritizes transparency in natural resource payments and revenues. Transparency requirements are spelled out in both the LEITI Act and the National Forestry Reform Law, which required the creation of a chain-of-custody system to collect, monitor and publish payments of fees in the forestry sector. These systems are very progressive and are working in the sense that payment and revenue data are available. However, there are many concerns.

[26] World Bank, *Rising Global Interest in Farmland: Can It Yield Sustainable and Equitable Benefits?* (Washington, D.C., 2010), p. 89.

[27] Ibid.

110. The LEITI process has resulted in two reconciliation reports, with the process for a third report to cover fiscal year 2009/10 started. Total revenues from the natural resource sectors in the first reconciliation report, covering the period 1 July 2007-30 June 2008, were $29.45 million. That amount did not include agricultural concession revenues, which were included only as of the second year report. According to the second LEITI report, total revenues from the extractive industry sectors for fiscal year 2008/09 were just over $35 million, with little variation in reporting between the taxpayer and Government.

111. The Panel's analysis of the payments and receipts set out in the LEITI reports indicates that there have been significant shortfalls from the poverty reduction strategy projections in all natural resource sectors. Revenues from natural resource sectors were affected in various ways. During fiscal year 2009/10, there were delays in payments from China Union for the Bong Mines iron ore agreement ($40 million), deferments in revenues from the "western cluster" owing to protracted bidding and contract negotiation process, delays in payments by forestry concession holders, and a decline in world prices for primary commodities, such as rubber.[28]

112. However, there also appear to be companies that have either not made payments according to the terms of their contracts or have not reported these payments. The Panel noted in its midterm report that there appeared to be many companies engaged in exploration, mining and diamond/gold broker/dealership activities that had not reported payments and for which the Government had not reported payments for the 2008/09 fiscal year (see S/2010/319, paras. 59-60).

113. In response to a letter from the Panel, the Ministry of Finance provided the Panel with an explanation and documentation in a meeting on 5 August 2010. The Ministry explained that it had prepared consolidated revenue information for an amount totalling $1.383 million, as well as a number of templates on other companies, for revenues paid by companies related to mineral exploration, mining and mineral trading activities (see annex XII). It prepared these reports separately, as a number of companies were not on the original lists provided by LEITI to the Ministry requesting the completion of company templates. According to the Ministry of Finance, it was provided with a list of 48 companies by LEITI but had payment data for 101 companies. Despite the Ministry of Finance's documentation, this information was not included in the final report compiled by the reconcilers.

114. The Panel's analysis of the reported payments and receipts also underscores the fact that some companies with large concessions are not making any payments. These companies include Equatorial Biofuels, for the oil palm concessions in Grand Bassa and Sinoe Counties, and ADA, for a rice concession in Lofa County. This situation highlights the importance of monitoring the implementation of large concessions to ensure that companies are meeting their obligations.

115. The chain-of-custody system for the forestry sector is a tool designed specifically to ensure that forestry sector fees are paid and reported correctly. The system has faced a number of challenges owing to the slow start of the forestry sector. The lack of progress in the forestry sector discussed earlier puts the chain-of-custody system in jeopardy again. Donors have already had to support the chain-of-

[28] See annual message of President Johnson Sirleaf to the fifth session of the fifty-second National Legislature of the Republic of Liberia (25 January 2010). Available at www.emansion.gov/lr/content.php?sub=Annual%20Messages&related=Speeches.

custody system for two years, with the United States Agency for International Development (USAID) paying $1.3 million in 2008 and the Government of Liberia, the World Bank and the United Kingdom paying $1.3 million for 2009-2010.

116. In the forestry sector, during fiscal year 2009/10, Société Générale de Surveillance, the forestry chain-of-custody contractor, invoiced logging companies for just over $13.3 million, of which $11.69 million had been paid by 28 September 2010 (see table 8). The $1.63 million in unpaid land rental bid fees were due to unpaid fees of almost $1.46 million by Euro-Liberia Logging and just over $36,000 by LTTC. As at late October 2010, Société Générale de Surveillance had invoiced companies almost $13.97 million for fiscal year 2010/11. However, companies had paid only a total of $437,673 to the Government of Liberia as at 27 October 2010, according to a summary provided to the Panel by Société Générale de Surveillance.[29]

117. While these revenues represent a significant improvement over the past two years, the total values remain well below the revenue projections from the logging sector identified in the poverty reduction strategy. While the poverty reduction strategy projected a total of over $107 million for the period 2007-2011, the Government will more likely have a total revenue of under $30 million, assuming that the 2010-2011 land rental bid premiums are paid. The Government of Liberia modified its expected revenues from its poverty reduction strategy estimates to $23 million for fiscal year 2009/10 (see S/2009/640, para. 94).

Table 8
Forestry revenues paid as at 30 September 2010
(United States dollars)

	Fiscal year summary of forestry fees (invoiced)		
	*2010**	*2009**	*2008**
Administration fees	16 000.00	10 000.00	3 000.00
Areas fees	2 561 915.00	2 536 915.00	6 250.00
Land rental bid	10 323 586.22	10 084 086.22	25 000.00
Late payment penalty/fines	—	475 565.42	22 192.45
Stumpage fees (FMC/TSC/PUP only)	255 279.21	124 762.75	—
Export fees	205 355.06	86 322.53	—
Annual coupe inspection fees	1 750.00	2 050.00	100.00
Waybills	4 200.00	9 450.00	—
Total amount invoiced	**13 368 085.49**	**13 329 151.92**	**56 542.45**
Year to date fees collected	**437 673.46**	**11 694 532.60**	**56 542.45**
***Unpaid carried forward**	—	**1 634 619.32**	—
Société Générale de Surveillance stumpage share	88 837.17	43 417.44	—
Société Générale de Surveillance export fees share	789.23	14 795.23	—

[29] Société Générale de Surveillance, chain-of-custody summary of forest fees, Société Générale de Surveillance (27 October 2010).

Fiscal year summary of forestry fees (invoiced)

	2010*	2009*	2008*
County share (30 per cent of area fee)	768 574.50	761 074.50	1 875.00
Community share (30 per cent of area fee)	768 574.50	761 074.50	1 875.00
Community Forest Development Committee share of stumpage	25 527.92	12 476.28	—

* Fiscal year 1 July-30 June.

Source: Société Générale de Surveillance S.A. data provided to the Panel of Experts on 11 October 2010.
Abbreviations: FMC, forest management contract; TSC, timber sales contract; PUP, private use permit.

118. These fees were put further at risk by the legislature's passage of a bill to attempt to reduce the annual land bid premium from an annual to a one-time payment (see annex XIII). The legislature passed this bill on 16 September 2010, and it was sent to the President, who then vetoed it on the grounds that it would result in significant economic losses to the Government. There has been further discussion within the Government to review Liberia's tax structure for the forestry sector, but the Panel is not aware of a final outcome with regard to this issue as at the end of October 2010.

G. Benefit sharing, access to information and public participation

119. The contribution of natural resources to long-term stability and development in Liberia will be affected by the degree to which the population benefits from new developments. The issue of equitable benefit sharing was addressed in the poverty reduction strategy. Benefit distribution in Liberia can include both subnational levels (counties and districts) and communities. Concession agreements often contain references to shares of benefits to the subnational level, as in the case of the Mittal Social Development Fund, as well as other types of benefits (employment, training, housing, schools and clinics). The National Forestry Reform Law and its regulations also include a requirement for revenue distribution to the community level. The Panel notes that the Forestry Development Authority and partners have drafted a benefit-sharing regulation to spell out how revenues will be shared and managed. This regulation is not yet in place, however, which means that monies have not yet been distributed.

120. There are many challenges to ensuring equitable distribution of revenues. These challenges include the lack of capacity of institutions at all levels, as well as problems with corruption. The President suspended the distribution of county development funds in August 2010, owing to concerns about the misspending and misappropriation of funds from these accounts until audits are carried. Concerns have been expressed also about the management and spending of money from the Mittal Social Development Fund, which affects Nimba, Bong and Grand Bassa Counties. A county official in Nimba informed the Panel that the county had only managed to spent just over $1 million out of $6.5 million of funds because of political manipulations and ethnic divisions within the country.

121. Communities affected by natural resource concessions have complained to the Panel that they do not feel like they are yet receiving benefits from companies operating near their villages. In the case of forestry concessions, expectations are

quite high and there has been little progress on the ground. The communities have complained that they have not yet received any of the monies that should flow to them from the area fees paid by companies to the central government. They also complain that they have not received the per cubic metre payment that companies are supposed to pay directly to affected communities. However, it is not clear that the communities have the capacity at present to manage the funds. There has been some capacity-building support to the community forestry development committees, but much more capacity is required.

122. There are also complaints related to the social agreements that logging companies must sign with local communities. It is not clear that communities have been fully included in the creation of the social agreements (the Panel has received various complaints about pressure to sign agreements). Communities have also complained that they have not received benefits as spelled out in the required social agreements. For example, communities in the area affected by timber sales contract A2 in Grand Bassa have complained formally to the Forestry Development Authority (see annex XIV), as have communities in River Cess and Gbarpolu. While social agreements are not required for smaller-scale mining licences, some companies have signed ad hoc agreements, which have been approved by ministry and county officials. In one case in River Gee, a community proudly displayed its agreement to the Panel (see annex XV). However, it also stated that it had not yet received any benefits from the company and that it had never benefited from mining activities in the area.

123. Access to information is required through various provisions of Liberia's evolving legal framework. Liberia, compared to many other countries in Africa and elsewhere, requires far more transparency with regard to natural resource contracts. According to a recently released Revenue Watch Index, Liberia is listed in the index's middle category of partial revenue transparency. This category includes countries that provide their citizens with information about their revenue from the extractive sector, yet have important transparency gaps in one or more specific categories of the index.[30] Revenue Watch notes that obtaining access to contracts can be difficult.

124. The Panel reviewed the contracts and natural resource licences available on the various agency websites, including LEITI. The most comprehensive set of documents is available on that website, though many contracts and licences are not available, especially those released in the past few years. Altogether, there are 37 contracts available on the LEITI website. Mineral exploration agreements all date from 2005, however, so there are no recent licences available. The availability of contracts directly from the agencies is limited; it is also difficult to obtain documents in hard copy. The Panel was able to obtain many, but not all, ratified contracts directly from the Publications Office at the Ministry of Foreign Affairs. A summary of the availability of concession documents is shown in table 9.

[30] Revenue Watch Index (2010). Available at www.revenuewatch.org/rwindex2010/execsummary.html.

Table 9
Availability of contracts and licences

Sector	*LEITI website*	*Ministry agency availability*	*Ministry of Foreign Affairs*
Mining	21 mineral exploration licences and MDAs	None on website	1 MDA (China Union)
Oil and gas	7 production-sharing contracts covering 10 blocks	None on website	
Forestry	3 FMCs (A, B and C) 4 TSCs (A2, A)	4 FMCs 0 TSCs	All forestry management contracts available
Agriculture	1 rubber (Firestone) 2 oil palm (Libinc and Liberia Forest Products) 1 rice (ADA)	None	3 concession agreements (Firestone, Sime Darby, Golden Veroleum)

Source: Panel investigations of websites and visits to agencies and the Ministry of Foreign Affairs.

Abbreviations: MDA, mineral development agreement; FMC, forest management contract; TSC, timber sales contract.

125. Availability of mining licences and agreements is far more problematic and the Panel was only able to obtain licences and agreements directly from companies in the field. Similarly, information on the performance of companies with regard to their contractual obligations under a concession agreement is also difficult to obtain. Most of the agencies are not currently equipped to monitor activities, let alone share such information with the public. The one area of exception is revenue transparency, as discussed earlier.

126. Public participation and consultation on concession allocations should provided the opportunity to subnational actors (county and district officials) and community members to have a voice in use of the country's land and natural resources. Consultation can also alert the Government to any existing land claims or potential disputes that may arise in the proposed concession area. Challenges and prolonged land disputes and conflicts can arise where communities and subnational authorities are not consulted. For example, a family in Nimba County has filed a suit claiming that the family's outstanding claims regarding lands and other issues related to the old LAMCO (now Arcelor Mittal) mine site have not been addressed (see annex XVI). Similarly, there are many land disputes related to old rubber plantation concessions (including at Salala, Liberian Agriculture Company and Firestone plantations) that have resulted in protests, disputes and violence. However, in recent concession allocations for Sime Darby and Golden Veroleum palm oil plantations, specific land areas are only vaguely defined, with requirements for the companies to demarcate land only after the concession agreements are ratified. A Sime Darby manager informed the Panel that the company did not expect to be able to identify enough land due to the pre-existing land uses and titles. These types of problems have the potential to cause tension as the companies expand.

H. Conclusion and recommendations

127. The Government of Liberia has set a high goal for Liberia for 2030. It has also identified a central role for natural resources in achieving that goal. The Government has allocated large areas of land since assuming power in 2006 and is proud of the investments committed in these sectors. The Panel, however, has identified a number of significant challenges related to the Government vision and goal for the country's natural resources.

128. The Panel notes that there has been considerable progress in addressing concession allocation. There are many cases, however, that raise questions about the effectiveness of the current checks and balances in the system, especially given the fact that some concessions appear to proceed through the system without being stopped owing to legal processes not being followed, such as in the cases of some forestry concessions, the Golden Veroleum oil palm concession and the attempt by Carbon Harvesting Corporation to obtain a carbon credit concession.

129. The Government also faces a challenge with respect to the capacity and will to regulate field activities, as is evident in both the informal and formal sectors. The ability to monitor concessions is crucial on a number of fronts, including ensuring that contracts are allocated and negotiated to the benefit of Liberia and its citizens; that required payments are made by companies; that social, health, education and employment provisions of contracts are met; and that environmental terms and conditions are met. In many cases in the field, however, Government officials actually work against each other.

130. Lack of public consultation and input into the identification of areas for concession allocation can lead to conflict once companies are active on the ground. This issue can cause problems for both large concessions and smaller licence holders. The issue of expansion of existing concession areas is also problematic, as is evident in ongoing disputes and protests in the Liberia Agriculture Company's rubber plantation. It can also lead to challenges, such as the recent claim in relation to the Arcelor Mittal contract.

131. The limited ability of the Government is evident in a number of ways, including the widespread presence of unregulated and unlicensed activities in rural areas, including pit-sawing and mining. Re-establishing full control in rural, natural resource-rich areas remains a significant challenge for the Government of Liberia. As a result of these various challenges, the Panel would like to make a number of recommendations to improve overall natural resource governance and ensure that the country's resources contribute to peace, security and development.

132. The Panel recommends that the Security Council continue to task UNMIL to assist the Government of Liberia in establishing its authority over its natural resources and that this focus involve continued assessment of hotspots and potential problem areas, especially given the potential for links between high-value resources, drugs and weapons (even if this is not currently happening on an organized crime level) both in Liberia and the region.

133. The Panel recommends that donors (including the World Bank, the European Commission and individual Member States) redouble their efforts to provide assistance to the Government of Liberia to improve governance of natural resources on the ground and that they coordinate these efforts.

134. The Panel recommends that Liberia and the Peacebuilding Commission specifically identify natural resource governance as a focus area for funding. Natural resource issues should be embedded in broader target areas such as rule of law, which includes resource-rich areas and which can be undercut by activities in resource-rich areas.

135. The Panel recommends that the Government of Liberia request assistance from the United Nations-European Union initiative for natural resource management with regard to identifying potential support and funding opportunities to assist with improving natural resource governance in Liberia.

136. As a result of the indications of a number of problems in the allocation processes for natural resources, the Panel considers it essential that LEITI fulfil its mandate to audit the allocation of concessions. Thus, the Panel recommends that the LEITI multi-stakeholder group prioritize an audit and that donors provide financial assistance if required to ensure that this mandate is accomplished.

137. The Panel recommends that the Government of Liberia redouble its efforts to build its capacity to monitor concession agreements. Donor assistance in this area would be highly desirable.

138. The Panel recommends that the Government of Liberia continue to identify value added opportunities in the natural resource sectors so that Liberians obtain more benefits from timber, rubber and other natural resource value chains.

VI. Arms embargo

139. The Panel conducted investigations in the area of the arms embargo, status of previous exemptions and assessing the impact of the change in the embargo on peace and security.

A. Violation of the arms embargo

140. The Panel has documented evidence of violations of the arms embargo (see annex XVII). These violations take the form of regionally manufactured pistols and shotguns that may be more abundant in Liberia. These weapons appear to be made in Guinea. In the border town of Ganta, Nimba County, the Liberia National Police arrested a man with 1,275 cartridges (12 mm) during February 2010. During August 2010, the Liberia National Police arrested a man with 12 single barrel guns and 475 cartridges at the same border crossing point. The ammunition appears to have been made in Europe and is entering Liberia through Guinea.

141. Given the poor operational capacities of the Liberia National Police, these two cases may indicate a much broader network of small arms trafficking. Community leaders and police officers in Grand Gedeh and River Gee have reported to the Panel similar cases of the presence of single barrels at the border with Côte d'Ivoire.

142. The Panel was also informed that an expatriate individual was able recently to purchase a 9 mm pistol in Monrovia. This individual confirmed to the Panel that there is a market of available arms in Monrovia, especially handguns, and mentioned several potential sources. Further investigations into the potential sources of this supply are required.

143. There have been two reported cases of Liberians carrying ammunitions being arrested by security at the airport while boarding a flight departing Liberia. The first case occurred on 19 September 2010, the inaugural flight of Delta Airlines flight 135, on which the President of Liberia travelled. In the second case, on 10 October 2010, the perpetrator explained that the two packs of ammunitions were brought into the country by someone else and given to him for onward transmission to his uncle, Michael Somah, Assistant Police Commissioner of the Liberia National Police.

144. Both incidents were downplayed by the Executive Mansion and the Liberian National Security Agency in charge of the investigations. On 20 October 2010, the Panel of Experts met with Mr. Somah, who confirmed this version of events and declared that the packs of ammunitions had been imported from the United States. He refused to make any further comment, citing an ongoing Liberian National Security Agency investigation.

145. It is unlikely that these arms and ammunition represent a threat to Liberia's stability at this time. However, they are commonly used by criminals to perpetrate assaults and armed robberies and pose a law-and-order problem that needs to be addressed through small arms legislation. The current traffickers are taking advantage of the lack of capacities of the security agencies at the border and the absence of a national legislation on hunting.

B. Imports of weapons, ammunition and training for Government

146. Prior to resolution 1903 (2009), States had to seek exemptions from the sanctions Committee in order to export arms, ammunition and training to Liberia for training and equipping of Armed Forces of Liberia, the Liberia National Police and the special security services. The status of granted exemptions and notifications as at 1 November 2010 is summarized in table 10.

Table 10
Delivery status of recent exemptions and notifications

Beneficiary	*Submitted by*	*Date of agreement*	*Date of delivery*	*Status*
Armed Forces of Liberia	United States	1 April 2009	3 April 2010	To be inventoried
	United Kingdom	25 February 2010		Not received
	United Kingdom	9 March 2010	3 April 2010	To be inventoried
National Security Agency	United States	24 September 2010		Not received

Source: UNMIL firearms inspection reports, exemption request letters from Member States and letters from the Committee granting the exemption.

147. On 3 April 2010, a shipment of weapons and ammunition was delivered to Robertsfield International Airport near Monrovia. These materials are to be used for the training of the Armed Forces of Liberia. The United States Government provided

notice of delivery through a diplomatic note dated 15 March 2010. The diplomatic note stated that transport was provided by Universal Freight Pvt. Ltd. (Islamabad, Pakistan) on Antonov-12 (AN-12) aircraft bearing registration number RA-11025, and stated the Government of Bulgaria as the donor of the weapons. The note did not reference an exemption granted by the sanctions Committee, but the Panel can confirm that this shipment relates to a request dated 18 March 2009 approved by the sanctions Committee on 1 April 2009 and a United Kingdom notification dated 9 March 2010. According to the initial packing list, which the Panel was able to consult, this shipment should have included the materials related to a further notification submitted by the British Government on 25 February 2010.

148. While resolution 1903 (2009) lifted the arms embargo against the Government of Liberia, the Security Council decided, in paragraph 6 of the resolution, that "all States shall notify in advance to the Committee any shipment of arms and related materiel to the Government of Liberia, or any provision of assistance, advice or training related to military activities for the Government of Liberia". An advance notification dated 8 July 2010 from the Government of Liberia for the importations of weapons by the Liberian National Security Agency was received by the United Nations Secretariat. The sanctions Committee received a notification for the same shipment but with a different date and transportation mode from the United States Government on 28 September 2010. The notifications stated the Liberian National Security Agency would import pistols (9 mm), ammunition plus magazines and holsters. The shipment had not been delivered as at 1 November 2010. Those weapons are the first to be delivered for the Liberian National Security Agency.[31]

149. The Liberian National Security Agency letter attached to the notification submitted to the sanctions Committee by the Government of Liberia stated that the vetting and training of the agents was completed on a bilateral base with the Government of the United States. The Deputy Director of the Liberian National Security Agency informed the Panel that the training had indeed taken place. The Panel is not aware of any notification for such training to the sanctions Committee by the United States Government during 2010, or of any request for approval prior to the change in the arms embargo. The Panel will continue to investigate the case.

C. Control of weapons and ammunitions

150. As at 1 November 2010, 33,074 small arms and light weapons had been collected in Liberia. This number includes 30,175 weapons recovered as part of the formal disarmament process that ended on 31 October 2004 and 2,899 weapons collected since then. An international NGO estimated in 2005 that approximately 14,000 weapons had not been collected during disarmament and thus it is possible that 11,000 weapons are still unaccounted for in Liberia.[32] Between 1 January 2008 and 23 July 2010, UNMIL had reported 189 incidents in which automatic weapons were alleged to have been used.

151. Between December 2009 and September 2010, UNMIL has collected and destroyed various arms and ammunitions (see table 11). The collected arms and

[31] According to reliable sources and direct witnesses, Liberian National Security Agency personnel are already in possession of handguns.

[32] Nicolas Florquin and Eric G. Berman, eds., *Armed and Aimless*, p. 125 (May 2005).

ammunitions were buried in the ground and had been most probably hidden or left on site by fighters during or just after the civil war period. In accordance with UNMIL procedures, the explosives and ammunitions are destroyed on site and the weapons transferred to an UNMIL logistics base in Monrovia for storage pending their destructions. The destroyed weapons included those donated previously by the city of Antwerp (Belgium) (see fig. 2).

152. UNMIL carries out many operations of weapons and ammunition collections all over the territory of Liberia. Strict procedures must be in place to ensure that it remains fully in control of these materials. In August 2010, a revised standard operating procedure for backloading and the destruction of recovered weapons in Liberia was issued. The responsibilities and the tasks at each stage of the process are clearly defined; the chain of custody, however, remains the weakest point of the whole process. The status for each weapon and ammunition (date, location, officer in charge, etc.) must be monitored from the moment the weapon is found until its final destruction. A tagging system associated with a computerized database would ensure that each weapon collected is individually marked, registered, transferred and destroyed.

Table 11
Arms and ammunition collection and destruction by the United Nations Mission in Liberia

Arms and ammunitions collected	*Arms and ammunitions destroyed*
307 rockets, grenades, mines and other explosives devices	15 AK-47 (including 6 serviceable ones, made in Russia)
28 automatic weapons, rifles, rocket-propelled grenades and other weapons	1 UZI assault rifle (made in Israel)
	2 T-56 assault rifles (made in China)
8,314 rounds of ammunition of various calibres	3 M-16 (made in the United States of America)
	1 rocket-propelled grenade launcher (made in Russia)
	21 locally made guns
	10 various other weapons (unknown origin)
	The following serviceable arms were donated by the city of Antwerp (Belgium) and used by the United Nations Police for the training of the Liberia National Police: 12 shotgun (12 mm); 40 Browning pistols (9 mm); 13 Smith and Wesson revolvers

Source: UNMIL Joint Mission Analysis Centre.

Figure 2
Mossberg shotguns and Browning pistols pending their destructions

Source: Panel of Experts (18 October 2010).

153. The weapons and ammunitions provided for the training of the Armed Forces of Liberia are still under the custody of DynCorp a private United States company, contracted by the United States Government. The inspection of those weapons started at the end of 2009, following a recommendation of the Panel. It is the opinion of the Panel that these inspections are not being conducted in a satisfactory way, and the Panel notes three major issues.

154. First, the UNMIL inspection team does not have copies of the exemptions and notifications granted to the Government of Liberia and thus cannot confirm whether the weapons and ammunition are authorized in kind and in quantity. Second, the UNMIL inspection team does not have in its possession an initial baseline for each type of weapon and ammunition. This baseline should have been established through an UNMIL inventory at the moment of the delivery of the weapons and/or through the packing lists. As a consequence, the UNMIL inspection team cannot determine whether discrepancies have occurred since delivery. Third, the UNMIL inspection team does not inspect the documentation related to the movements of these weapons and/or ammunitions.

155. UNMIL continues to inspect weapons and ammunitions that have been imported into the country since the establishment of the embargo. A summary of the inspection findings for the current year is contained in table 12.

Table 12
Weapons and ammunitions storage situation

Unit	Date of inspection	Verified number and type of weapons and ammunitions	Marking and compliance with the Economic Community of West African States (ECOWAS) Convention on Small Arms and Light Weapons	Registry and log books in place and properly managed	Armory secured
AFL	September/ November 2009	Inventoried but no baseline	Partial marking, but not ECOWAS-compliant	Partly inspected. Database, log book, handover and receipt vouchers not inspected by UNMIL	Satisfactory
	February/April 2010	Inventoried but no baseline	Partial marking, but not ECOWAS-compliant	Partly inspected. Database, log book, handover and receipt vouchers not inspected by UNMIL	Satisfactory
	July 2010	Inventoried but no baseline	Partial marking, but not ECOWAS-compliant	Partly inspected. Database, log book, handover and receipt vouchers not inspected by UNMIL	Satisfactory
Liberia National Police/ Police Support Unit	February 2010	OK* but bad maintenance	Existing marking, but not ECOWAS-compliant and sometimes unreadable	In place but not computerized and below standards	Below standards (no armory or iron safe in two sites)
	June/July 2010	OK* but bad maintenance	Existing marking, but not ECOWAS-compliant and sometimes unreadable	In place but not computerized and below standards	Below standards (no armory or iron safe in two sites)
Liberia National Police	February 2010	OK*	Existing marking, but not ECOWAS-compliant	In place but not computerized. Below standards	Satisfactory
Emergency Response Unit	July/August 2010	OK*	Existing marking, but not ECOWAS-compliant	In place but not computerized. Below standards	Satisfactory

Unit	*Date of inspection*	*Verified number and type of weapons and ammunitions*	*Marking and compliance with the Economic Community of West African States (ECOWAS) Convention on Small Arms and Light Weapons*	*Registry and log books in place and properly managed*	*Armory secured*
Special security services	March 2010	OK*	Existing marking, but not ECOWAS-compliant and sometimes unreadable	In place but not computerized. Satisfactory	Satisfactory
	June/July 2010	OK*	Existing marking, but not ECOWAS-compliant and sometimes unreadable	In place but not computerized. Satisfactory	Satisfactory

Source: UNMIL firearms inspection reports and Panel of Experts visits.

* "OK" means all weapons are accounted for, including missing weapons (lost, stolen).

156. In the context of the upcoming electoral campaign and the UNMIL drawdown, the lack of relevant infrastructure, training and equipment of the law enforcement agencies (Liberia National Police, Bureau of Immigration and Naturalization, Bureau of Corrections and Rehabilitation) remain a major concern.

157. In addition to the Peacebuilding Fund, some Governments have expressed their intention to fund programmes aimed to reinforce Liberia National Police capacities (Germany, $1.5 million; Ireland, $1 million; Japan, $8 million; Norway, $2.4 million; United Kingdom, $750,000; Denmark, $610,000). The United States Government has committed itself to fund a $19.75 million programme to better equip the Liberia National Police, with the intention to increase the strength of the Police Support Unit from 150 to 600 fully trained and armed officers by the end of June 2011.

158. As part of this plan, in a letter dated 23 June 2010, the United States Government informed the sanctions Committee that 60,000 rounds of 9 mm ammunitions initially requested for the Emergency Response Unit training programme will be transferred to the Police Support Unit training programme. So far no request has yet been made for importing additional arms or other specific materials, especially crowd control equipment.[33] The Emergency Response Unit of the Liberia National Police is in possession of 500 gaze grenades and 12 grenade launchers.

159. The Bureau of Immigration and Naturalization launched its five-year strategic plan programme on 28 September 2010, which aims to increase the very limited support it has received so far. This plan follows the Liberia National Police strategic plan and the Bureau of Corrections and Rehabilitation strategic plan, both launched in 2009.

160. A first meeting on gun control with a focus on legislation was held at UNMIL on 12 August 2010. The meeting was co-chaired by a representative of the Ministry of Information appointed to represent the Chair of the Liberian National

[33] France is giving three training sessions on mob control at the National Police Training Academy. A further session for a training of trainers is planned in France in 2010.

Commission on Small Arms and the UNMIL Security Sector Reform adviser. Several security agencies and NGOs attended the meeting, representing the Liberia National Police, the special security services, the Liberian Council of Churches, the Interreligious Council of Liberia, Search for Common Ground, Danish Refugee Council and the Liberian Action Network on Small Arms. Discussions focused on the status of the 2006 draft Firearms Control Act and the draft act for the legal establishment of the National Commission for Small Arms.

161. A second meeting chaired by the Assistant Minister of Justice for Administration and Public Safety was held on 19 October 2010. With the support of a Danish Refugee Committee expert who drafted the 2006 document, the participants started the review of all the sections of the Firearms Control act. The Panel of Experts was present as observer during that meeting.

162. The Panel reiterates the urgency for designating, equipping and training a relevant Liberian authority with an efficient system to mark and register the weapons entering or already present in Liberia. All the current marking solutions are unreliable, non-compliant with the ECOWAS Convention and inconsistent.[14]

163. The Panel stresses the need for UNMIL and bilateral donors to support the setting up of a Liberian ammunitions and weapons collection and disposal unit to enable Liberia to gradually take over this responsibility of public safety.

D. Effects of the modification of the arms embargo on the stability and security of Liberia

164. As at 1 November 2010, the impact of the modification of the arms embargo is not significant. Three notifications for acquiring further weapons and ammunitions to equip AFL and the Liberian National Security Agency were transmitted to the sanctions Committee in compliance with the requirements of resolution 1903 (2009). Therefore, given the discussions the Panel held with Liberian authorities and bilateral partners, one can expect future notifications aimed to equip the support units of the Liberia National Police with handguns.

165. Equipping Liberia National Police officers with arms should be considered with caution. Equipment should be provided for specific units and purposes, together with adequate training. A lack of training and discipline might result in the abuse of authority by Liberia National Police officers. In a regional context of very loose border control, an extremely hazardous "arms race" with criminals could be the result of equipping Liberia National Police officers without providing them with adequate training. Furthermore, the Liberia National Police/Police Support Unit has not yet demonstrated its capacities to properly store, manage and maintain its arms and ammunitions. Given the coming electoral period, supplementary equipment and training for the Liberia National Police/Police Support Unit aimed to build its capacities in crowd control using non-lethal means should be considered a priority.

[14] The solution that is currently considered the most efficient consists of a data matrix code and numbers engraving by laser or industrial machine-tool on different parts of the arms/weapons (including a hidden part) associated with an optic reading system and a central computerized database. Such a system is currently in use in several African countries, such as Kenya, the Sudan, Burundi and South Africa.

E. Recommendations

166. Any further change to the arms embargo should not be considered before a strong law and regulation framework is in place in Liberia. This framework must be fully compliant with the ECOWAS Convention, which entered into force in November 2009, and the United Nations Protocol against the Illegal Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunitions, Supplementing the United Nations Convention against Transnational Organized Crime, which entered into force in July 2005. In addition, a national authority independent from any of the security agencies should be designated to maintain a national registry of weapons. This authority should have the resources and the power to control the weapons, ammunitions and military-related equipment in the possession of the national defence forces and the national police.

167. The procedure related to the UNMIL inspection of the weapons and ammunitions of the Armed Forces of Liberia should be revisited. The quantity and type of weapons and ammunitions counted by the UNMIL inspectors should be compared with a baseline established independently, and all the associated documentation should be thoroughly inspected. As a generic recommendation, the format of the UNMIL inspection reports must be reviewed and standardized to clearly establish for each weapon and ammunition inventoried a link with an exemption granted by or a notification received by the Security Council Committee on Liberia.

168. The Panel recommends that the Security Council bring to the attention of Guinea the presence and movement of small arms into Liberia and remind it of its obligations under resolutions 1521 (2003) and 1903 (2009).

VII. Information on designated individuals

169. Almost three years after his arrest in Thailand in an American-led operation apparently trying to sell missiles to men who later turned out not to be Colombian rebels but American agents, the Appeals Court in Thailand granted on 20 August 2010 the extradition of Viktor Bout to the United States on charges of conspiring to sell weapons to a terrorist organization for use in killing Americans.[35] The extradition must take place within 90 days, otherwise the defendant will be released. This decision followed an appeal made by the United States after a judgment of 11 August 2009 of the Bangkok Criminal Court in Viktor Bout's favour.

170. In reaction to the decision of the Appeals Court, Russian Foreign Ministry spokesman Andrei Nesterenko stated in a radio statement that the Thai court decision was politically motivated and that Moscow would render all possible assistance to its citizen.[36] Russian Minister for Foreign Affairs Sergei Lavrov also declared that Russia would seek the repatriation of Bout from Thailand.[37]

171. The trial of Charles Taylor is in its defence phase, with only a few witnesses still to testify. In March and April 2010 the Special Court for Sierra Leone called

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[35] An English translation of the decisions of the Thai Appeals Court is available at www.victorbout.com/Documents.htm#Appeal_Court_Decision.

[36] See "RIA Novosti", 4 October 2010.

[37] Ibid., 20 August 2010.

witnesses to testify primarily about Taylor's time in the Libyan Arab Jamahiriya, the use of child soldiers, and how the Revolutionary United Front (RUF) acquired guns and ammunition. Some of the testimony focused on events occurring before the indictment period, which spans from 1996 to 2002, including the formation and training of RUF in 1991, its first incursions into Sierra Leone, and the early years of the war. The objective of the Defence was to disassociate Taylor from allegations that he had created and/or supported RUF from 1991 through the conclusion of the war in 2002. Many witnesses during that period were granted protective measures, and much of their testimony took place in closed session. In August 2010, as part of the Prosecution's case against Charles Taylor for his actions in the Sierra Leone civil war, Naomi Campbell was subpoenaed to testify, as it is alleged that she received diamonds from Charles Taylor in September 1997, when both attended a charity dinner given in South Africa by President Nelson Mandela. The former Liberian leader has always denied ever having rough diamonds in his possession.

172. At a status conference held on 22 October 2010 in The Hague, the Special Court for Sierra Leone judges set a timetable to end the trial of former Liberian President Charles Taylor. The case of the Defence will formally close immediately, at the latest by 12 November 2010. The court will observe a judicial recess from 17 December 2010 and will resume on 10 January 2011. The parties will submit their final trial briefs at the latest by 14 January 2011. If they wish to, the parties will file any written responses to each other's final trial briefs by 31 January 2011. The court will hear final oral arguments from the parties for three days, starting on 8 February 2011. After the closing arguments, the court will then determine how long it will take before a final judgment is delivered.

173. The Panel wrote a letter dated 12 June 2010 to the Government of the Republic of Serbia requesting a response to information contained in the 2010 midterm report of the Panel related to the involvement of the designated individual Slobodan Tesic in a suspicious shipment of weapons to the Libyan Arab Jamahiriya (see S/2010/319, paras. 103-105). In a note verbale dated 9 August 2010 sent to the Chair of the Security Council Committee established pursuant to resolution 1521 (2003), the Republic of Serbia recapitulated the measures taken to implement relevant paragraphs of resolution 1903 (2009).

VIII. Travel ban

174. In order to cross-check information on suspected violations collected from other sources, the Panel requested in a letter dated 6 May 2010 to the Liberian delegation to the United Nations assistance in obtaining from the relevant authorities a full record of travel both into and out of Liberia of those persons subject to the travel ban. Following the case in Monrovia, the Panel found out that the Bureau of Immigration and Naturalization, in charge of controlling the entry and exit of each passenger at Monrovia International Airport, had limited its research to Cyril Allen and Edwin Snowe for the first half of 2009. According to their information, Edwin Snowe arrived from Ghana on 3 February 2009, and then departed to Ghana on 2 June 2009, in keeping with his declarations.[38] However the Bureau of Immigration and Naturalization could not give to the Panel a date of departure prior to his return on 3 February 2009 and a date of return after his

[38] See S/2010/319, paras. 76-78.

departure on 2 June 2009. Concerning Cyril Allen, no record of travels through the airport was found.

175. In order to complete its information and verify all travel of listed individuals for 2009 and 2010, the Panel met with the Commissioner of the Bureau of Immigration and Naturalization on 20 October 2010. The Commissioner agreed to order a thorough review and to communicate the results to the Panel. However, in spite of several further reminders, no information has been received.

176. The travel ban is a major political issue in Liberia, and in the context of the coming election, is widely used by the different parties to gain support. On 10 October 2010, Charles Brumskine, former presidential candidate during the 2005 elections and a most-likely contender for next year's elections for the opposition Liberty Party, stated during an interview to local media that the refusal by the Security Council to accord due process of law to the Liberians serving the ban should lead to the lifting of the ban. He stated, "I do not understand why the travel ban remains on Liberians. I don't know if they are accused of committing any crime outside Liberia. I believe they're accused, if they are, of doing things in Liberia. If anyone has been charged with anything, he should be accorded the due process of law so he can regain his life and move forward."[39]

IX. Assets freeze

177. The Panel of Experts has reviewed the documentation in its possession in order to assess the current state of knowledge. The Panel has also reviewed the status of Liberia's actions regarding its obligations to freeze the assets of designated individuals, as required by resolution 1532 (2004). Additionally, further to its task to identify and make recommendations regarding areas where the capacity of Liberia and the States in the region can be strengthened to facilitate the implementation of the assets freeze measure, the Panel has explored options that offer opportunities to build Liberia's capacity in this area.

A. General implementation of the assets freeze

178. Further implementation of the assets freeze measure is unlikely in other Member States. The Panel has contacted two States to update information on frozen assets. The United Kingdom has managed to freeze about £150,000, but the Panel does not have any other current figures. The Panel has not received replies to previous enquiries to the Netherlands. Most likely, all that could be realistically achieved was the freezing of assets identified in the early days following the adoption of Security Council resolution 1532 (2004). Further continued enquiry, after all this time, would unlikely yield more useful avenues of investigation.

[39] See "FrontPageAfrica", 10 October 2010. Available at www.frontpageafrica.com/Newsmanager/anmviewer.asp?a=11609.

B. Assets freeze in Liberia

179. The Panel has previously reported on the lack of action by the Government of Liberia with regard to the assets freeze (see S/2008/785 and S/2009/640). The Panel meetings with officials in Liberia early in the mandate indicated a lack of knowledge and intention to freeze assets previously identified by the Panel.

180. There has been no recent evidence within Liberia of any official intention to freeze any assets. This situation continues, despite the efforts of the Panel under the previous mandates to identify Liberian-based assets of listed individuals (see S/2009/640, para. 131). This lack of action by the Government may have facilitated wider dissemination of assets identified, including the transfer of property to other individuals.

181. Given Liberia's lack of action and intent to act, and the request of the Council that the Panel identify and make recommendations regarding areas where the capacity of Liberia and the States in the region can be strengthened to facilitate the implementation of the assets freeze measure, the Panel has explored options that offer opportunities to build Liberia's capacity in this area. The Panel approached this problem laterally and looked for an entirely different direction from which to approach the problem. The Panel recalls its previous recommendation that the Security Council encourage increased international assistance to Liberia to help build its capacity to take measures against corruption, unjust enrichment and fraudulent activities (see S/2009/640, para. 201). The Panel recommended in its midterm report (S/2010/319) the establishment of the willingness of the Financial Action Task Force to explore whether that organization could provide an avenue to assist Liberia.

182. The Panel has approached the Financial Action Task Force through the internal processes and protocols of the Task Force. The Panel was aware that Liberia was a member of the Intergovernmental Action Group against Money Laundering in West Africa (GIABA), whose members also include Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

183. The Panel is aware that during June 2010, the Financial Action Task Force plenary meeting in Amsterdam took important steps to protect the international financial system from abuse by admitting GIABA, the Eurasian Group, and the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) as Task Force associate members.

184. Associate members must meet a number of criteria. They must have mechanisms that seek to ensure actual and effective implementation of the Financial Action Task Force standards. They must also provide access to the Task Force president, secretariat and members to plenary and working groups meetings, and documents, including all mutual evaluation discussions and all mutual evaluation reports adopted by Financial Action Task Force-style regional bodies. Associate members also must offer the Task Force delegation the opportunity to provide input to discussions and decisions (in the same way that Financial Action Task Force-style regional bodies provide input to the Task Force discussions and decisions). Finally, associate members must allow assessors from Task Force members to participate, as appropriate, in mutual evaluation teams and promote the recommendations of the Task Force and support its actions at the international level.

185. Associate members also conduct joint events and joint projects with the Financial Action Task Force. This includes high quality typologies reports that can be published for use by people who are involved in combating money-laundering and terrorist financing.

186. Thus, Liberia is now a full member of an associate member group of the Financial Action Task Force, and as such, it will be required to demonstrate a far higher standard of full compliance with all requirements of the Task Force, as enunciated in its 40+9 Recommendations. This will be a far more rigid standard of compliance than previously existed. One requirement is that Liberia must provide a full standard of compliance with asset freezing requests made by other countries and other responsible authorities, including the United Nations. Liberia will therefore be required to provide full compliance with the requirements of the United Nations sanctions regime.

187. As a result of the Panel's discussions with officials of the Financial Action Task Force, and subsequently in meetings with the General Secretary, the FATF agreed on 20 July 2010 to expedite the GIABA mutual evaluation process into Liberia. The General Secretary wrote to the Panel on 21 July 2010 informing it that the mutual evaluation of Liberia is scheduled by GIABA to have an onsite visit in November 2010. A report will be written after the visit. The General Secretary further noted that, given that the process is arduous and lengthy, the timeline for a GIABA plenary discussion and adoption and publication of the report would be mid-2011.

188. The Panel believes that the long-term effect of this process will be to ensure that Liberia is finally investigated and evaluated by an independent but geographically local global entity that sets mutually acceptable standards of financial crime compliance and that can sanction an offending State if it fails to take the necessary steps to bring itself into line with the requirements of the Financial Action Task Force. Additionally, Liberia will be given significant encouragement to implement United Nations sanctions because they are an integral part of the mandate for action of the Task Force and define part of the process of "best practice". Liberia will be encouraged through a process of working with technically qualified assistance to develop processes and procedures, training programmes, and "best practice" regulatory standards to bring its anti-money-laundering and financial crime procedures into line with the rest of the world.

189. As part of this remedial process, Liberia will be required to undertake a programme of developing full compliance provision, including acting on requests for asset freezing, and to implement these provisions in a sensible and defined timeframe. By engaging with this process, Liberia can begin to demonstrate the capability and wish to meet the requirements of paragraph 6 of resolution 1532 (2004) by establishing transparent accounting and auditing mechanisms to ensure the responsible use of government revenue to directly benefit the people of Liberia.

190. The Panel hopes that once Liberia begins to engage in the mutual evaluation process, officials will begin to understand the implications of the process. Liberia currently has a law (An Act to Amend the New Penal Law, Title 26 as Amended, of the Liberian Code of Laws revised, by Adding Thereto a New Sub-chapter G to Chapter 15, Making the Laundering of the Proceeds of Criminal Conduct a Criminal Offense and Providing for the Confiscation of the Proceeds and Value of such

Criminal Conduct, January 2002); although the effectiveness of its regulations is unknown on the balance of probabilities, it is unlikely to be high.

191. Liberia's implementation of the United Nations assets freeze sanction will require significant support for developing meaningful anti-money-laundering processes and procedures. Liberia needs a programme of training, education and technical development, and it cannot be expected to achieve this on its own.

192. It is hoped that Liberia will begin to be seen to provide a level of compliance with international standards that is now mandatory on a global level. In so doing, it will begin to demonstrate a commitment to ensuring prudency standards that go far beyond mere money-laundering, which can begin to have an impact on preventing corruption, drug trafficking, financial crime and a range of other serious impacting influences on the economy and society of Liberia. Liberia will no longer have any excuse for failing to comply. The failure to provide the proper sort of compliance will mean that Liberia will eventually be named as a jurisdiction that is failing to comply with the relevant systems and controls, and will mean that other countries will be required to undertake heightened levels of due diligence, if they wish to do business with Liberia.

193. The Panel is pleased that the Financial Action Task Force is willing to engage with Liberia through a positive programme of remediation and mutual evaluation, and it is the hope of the Panel that Liberia may now move forward.

C. Recommendations

194. The Panel recommends that the Security Council provide all encouragement to the Government of Liberia to cooperate fully with the Financial Action Task Force mutual evaluation exercise, and to accept assistance offered to ensure that Liberia benefits fully from the exercise.

Annex I

Meetings and consultations held by the Panel of Experts

Belgium

European Commission; OLAF

Canada

Foreign Affairs and International Trade Canada; Natural Resources Canada; Liu Institute for Global Issues

Côte d'Ivoire

United Nations Operation in Ivory Coast, French Embassy

France

Financial Action Task Force on Money Laundering

Liberia

Government

Bureau of Immigration and Naturalization; Drug Enforcement Agency; Forestry Development Authority; Liberia National Police; Ministry of Defence; Ministry of Foreign Affairs; Ministry of Gender; Ministry of Justice; Ministry of Labour; Ministry of Lands, Mines and Energy; Ministry of National Security; Minister of State for Presidential Affairs; National Security Adviser; National Security Agency; county and district authorities in various counties

Others

Barteh Jam Mining Committee, Grand Gedeh; Peacebuilding Committee of Barclayville, Grand Kru County; youth groups in Zwedru, Grand Gedeh County and Harper, Maryland County; community representatives in various communities; residents of various mining communities

Bilateral and multilateral organizations

United Nations Mission in Liberia; United Nations Development Programme; Embassy of France; Embassy of United States of America; Political Mission of the United Kingdom of Great Britain and Northern Ireland; World Bank

Private sector

Arcelor Mittal; Buchanan Renewables; Cavalla Rubber Plantation; EJ&J Corporation; Li Group; Putu Iron Ore Mining Company; Salala Rubber Company; Sime Darby; TRECO; Youssef Diamond Mining Corporation; illicit miners

Netherlands

Special Court of Sierra Leone

Switzerland

Geneva Call; Group of Experts on Côte d'Ivoire; International Union for the Conservation of Nature and Natural Resources; United Nations Environment Programme, Small Arms Survey

United Kingdom of Great Britain and Northern Ireland

Foreign and Commonwealth Office; H.M. Treasury

United States of America

United Nations Development Programme; Department of Political Affairs and Department of Peacekeeping Operations of the United Nations Secretariat; Peacebuilding Commission Support Office

Permanent Missions of Belgium, Bosnia and Herzegovina, Serbia, United Kingdom of Great Britain and Northern Ireland; United States of America State Department; Environmental Law Institute; Global Witness; Stimpson Centre

Annex II

Summary of diamond exports of Liberia since 2007

2009 exports

Month	*Kimberley Process Certification*	*Carat*	*Value*	*Value per carat*	*Royalty*
January	3	792.06	778 369.37	982.72	23 351.08
February	3	498.35	331 779.00	665.75	9 953.37
March	4	231.37	171 702.03	742.11	5 151.06
April	6	1 008.35	722 835.20	716.85	21 685.06
May	6	2 046.25	2 091 104.00	1 021.92	62 733.12
June	6	3 611.13	848 984.03	235.1	25 469.52
July	6	2 614.27	774 469.02	296.25	23 234.07
August	5	2 908.08	516 131.49	177.48	15 483.94
September	9	4 328.98	1 163 212.17	268.7	34 896.37
October	5	6 359.41	326 193.00	51.29	9 785.79
November	3	624.83	254 838.00	407.85	7 645.14
December	11	2 708.85	1 146 018.45	423.06	34 380.55
Total	**67**	**27 731.93**	**9 125 635.76**	**329.07**	**273 769.07**

2008 exports

Month	*Kimberley Process Certification*	*Carat*	*Value*	*Price per carat*	*Royalty*
January	5	2 429.05	588 996.56	242.48	17 669.90
February	3	5 239.42	503 171.00	96.04	15 095.13
March	8	4 646.57	676 708.32	145.64	20 301.25
April	7	5 112.10	895 500.98	175.17	26 865.03
May	5	3 361.65	505 221.54	150.29	15 156.65
June	6	4 347.71	1 838 966.36	422.97	55 168.99
July	10	7 648.84	2 007 827.56	262.5	60 234.83
August	5	5 233.92	1 055 039.35	201.58	31 651.18
September	4	4 455.97	1 045 608.51	234.65	31 368.26
October	7	3 937.01	488 974.10	166.49	14 669.23
November	2	221.12	55 771.00	252.27	1 673.13
December	6	1 373.12	329 009.59	167.5	6 599.9
Total	**68**	**47 006.48**	**9 891 785.34**	**210.43**	**296 753.5**

2007 exports

Month	*Kimberley Process Certification*	*Carat*	*Value*	*Price per carat*	*Royalty*
September	2	2 886.03	327 963.31	113.64	9 838.90
October	7	11 746.02	1 520 301.97	129.43	45 609.06
November	2	2 466.32	404 728.62	164.1	12 141.86
December	3	4 601.37	404 547.68	87.92	12 136.43
Total	**14**	**21 699.74**	**2 657 541.58**	**122.47**	**79 726.25**

Source: Panel of Experts summary of Government Diamond Office data.

Annex III

Diagram illustrating natural resource opportunities for peacebuilding

Adapted from Organization for Economic Cooperation and Development Development Assistance Committee

	Socio-economic development	*Good governance*	*Reform of justice and security institutions*	*Culture of justice, truth and reconciliation*
Supporting economic recovery	Wise use of high-value natural resources for economic recovery and tax revenues	Resource concessions managed to ensure legitimacy, transparency, and sharing of benefits	Illegal extraction and trade of natural resources monitored and prevented	Economic integration and cooperation improved between divided communities
Developing sustainable livelihoods	Sustainable use of natural resources as the foundation for livelihoods and essential services	Capacity built for the sustainable management of natural resources	Livelihoods based on the sustainable use of natural resources developed as a tool for reintegrating former combatants	Natural resource requirements included in the resettlement of displaced persons
Dialogue, confidence-building and cooperation	Shared vision reached between divided communities on the use of natural resources for development	Cooperation over natural resource management improved between multiple levels of government	Capacity built for the resolution of disputes over resource access and ownership	Tension hotspots identified, and natural resources used as a peace platform

Note: The Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) has identified four major pillars of peacebuilding. These include socioeconomic development, good governance, reform of justice and security institutions, and promoting a culture of justice, trust and reconciliation. The boxes demonstrate how the three environmental opportunities for peacebuilding discussed in this report are linked to each of these pillars.

Source: United Nations Environment Programme, *From Conflict to Peacebuilding: The Role of Natural Resources and the Environment*, UNEP, p. 31 (Nairobi, 2009).

Annex IV

Mineral rights

List of mineral development agreements and class A licences

Company	*Area*	*Licence type*	*Area (hectares)*	*Unit*
Amlib United Minerals	Kokoya	MDA	20 000	116
China Union Hong Kong Ltd		MDA	61 320	79
Mano River Resources	Kpo	MDA	20 000	33
Arcelor Mittal		Class A	10 550	115
Bea Mountain Mining Corp		Class A	45 700	18
			157 570	

Source: Ministry of Lands, Mines and Energy, Mineral Property Map, September 2010. Available at www.molme.gov.lr/doc/Mineral%20property%20map_090810.pdf (accessed 20 October 2010).

List of mineral exploration agreements

Company	*Area*	*Area (hectares)*	*Unit*	*Company total*
Afro Minerals Incorporated		12 700	26	
Ascension Resources Corporation		84 700	119	
Ascension Resources Corporation		20 000	131	104 700
Amlib United Minerals	Zwedru	17 820	4	
Amlib United Minerals	Cestos	144 370	6	
Amlib United Minerals	KleKle	10 000	7	
Amlib United Minerals	Kokoya Area 1	13 000	117	
Amlib United Minerals	Kokoya Area 2	27 500	118	212 690
BHP Billiton	Kitoma	11 120	9	
BHP Billiton	Goe-Fantro range	21 700	10	
BHP Billiton	Baleykoyo	14 330	88	
BHP Billiton	St. John river south	22 150	89	69 300
Bokon Jedeh	Government camp	21 000	11	
Bokon Jedeh Resources		58 640	102	
Bokon Jedeh Resources		69 880	103	149 520
Belle Resources		53 190	48	
BBSG Resources Liberia Limited		26 100	50	
BBSG Resources Liberia Limited		60 100	51	
BBSG Resources Liberia Limited		66 200	52	152 400
Bopolu Commercial Limited		26 770	93	
Broadway Consolidated PLC	Dugbe river	24 900	97	
China Henan International Group		8 740	53	
China Union Gold Investment Limited		100 000	21	

Company	Area	Area (hectares)	Unit	Company total
China Union Gold Investment Limited		100 000	22	200 000
Crystal River		100 710	54	
Deveton Hummingbird Resources		62 400	23	
Deveton Hummingbird Resources		44 000	24	
Deveton Hummingbird Resources		40 000	25	146 400
Hummingbird Resources Incorporated	Dugbe	44 900	28	
Hummingbird Resources Incorporated		30 000	62	
Hummingbird Resources Limited		37 500	63	
Hummingbird Resources Limited		66 410	64	
Hummingbird Resources Limited		79 480	65	
Hummingbird Resources Limited		15 760	66	274 050
Deveton Hummingbird Resources JV	Ba Area	62 470	133	482 920
Estmor Gold Mining Company		7 180	106	
Explorex Overseas Limited	Henry Town	8 000	19	
Explorex Overseas Limited	St. Paul	9 840	20	17 840
Fine Minerals International		34 760	55	
Genesis Mining Incorporated		28 000	57	
Global Minerals Investment LLC		39 810	58	
Iron Resources Incorporated		59 800	128	
International Business Exchange Incorporated		71 890	129	
International Business Exchange Incorporated		11 350	130	83 240
Jamu Resources Inc.		10 000	83	
Konblo Bumi Incorporated	Kakata	17 320	91	
Konblo Bumi Incorporated	Mafa	62 400	92	
Konblo Bumi Incorporated	Sinoe	95 150	104	
Konblo Bumi Incorporated	Rocktown	49 590	105	
Konblo Bumi Incorporated	Zoi	97 000	111	
Konblo Bumi Incorporated	Kakata	15 060	112	
Konblo Bumi Incorporated	Dugbe	24 740	113	361 260
Macnemo		40 030	68	
Macnemo		10 000	69	
Macnemo		10 000	70	60 030
Pedra Mining	Gbarpolu	40 000	95	
Pedra Mining	Grand Bassa	60 350	96	40 065
Putu Iron Ore Mining		42 500	45	
Sealand Diamonds		20 000	94	
Sinoe Exploration Limited		70 070	107	
Sinoe Exploration Limited		66 110	124	70 139
Target Resources		40 060	71	
Target Resources		18 300	72	40 131

Company	*Area*	*Area (hectares)*	*Unit*	*Company total*
Ireco Mining Corp		35 740	84	
Usoma Minerals and Mines		65 990	73	
Voila International		59 810	74	
Voila International		70 000	75	59 885
USIMPELO Trading		100 050	132	
Youssef Diamond Mining Corporation		99 630	85	
Youssef Diamond Mining Corporation		100 000	123	99 708
Total		**3 189 070**		

Source: Ministry of Lands, Mines and Energy, Mineral Property Map, September 2010. Available at www.molme.gov.lr/doc/Mineral%20property%20map_090810.pdf (accessed 20 October 2010).

Note: Total for Deveton Hummingbird includes areas for both companies as well as area of joint agreement.

Annex V

Mineral exploration licence with no effective date

REPUBLIC OF LIBERIA

MINISTRY OF LANDS, MINES AND ENERGY

MINERAL EXPLORATION LICENSE

Vertex	Easting	Northing
1	340000	800000
2	360000	814700
3	360000	804300
4	340000	800000

SECTION 5 BINDING ON GOVERNMENT

This License is duly signed and binding on the Government of Liberia when signed by the Minister

Signed
Carlton S. Miller
Assistant Minister
Mineral Exploration & Environmental Research

Approved
Executive Chairman (MMA)

MINISTRY OF MINES

DATE August 22 2009

Attn: *Map Attached*

Annex VI

Class B gold and diamond mining licences issued in 2009

No.	*Company*	*Mineral*	*Issue date*	*Expiry date*	*Receipt number*	*County*	*Agency*
1	Global Mineral Investment	Gold	19 Jan. 2009	19 Jan. 2010	545778	Sinoe	Sanquin
2	Global Mineral Investment	Gold	19 Jan. 2009	19 Jan. 2010	545779	Sinoe	Sanquin
3	Global Mineral Investment	Gold	19 Jan. 2009	19 Jan. 2010	545777	Sinoe	Sanquin
4	Global Mineral Investment	Gold	19 Jan. 2009	19 Jan. 2010	545780	Sinoe	Sanquin
5	Pedra Corporation	Gold	6 Feb. 2009	6 Feb. 2010	553094 556116	Cape Mount	Bangorma
6	KBL (Liberia Mining Company) Inc.	Gold	16 Nov. 2009	16 Nov. 2010	672503	Cape Mount	Bangorma
7	KBL (Liberia Mining Company) Inc.	Gold	16 Nov. 2009	16 Nov. 2010	672504	Cape Mount	Bangorma
8	West Africa Mines Ltd.	Gold	8 Jan. 2009	8 Jan. 2010	564661	Grand Gedeh	Tchien
9	West Africa Mines Ltd.	Gold	8 Jan. 2009	8 Jan. 2010	564661	Grand Gedeh	Tchien
10	West Africa Mines Ltd.	Gold	8 Jan. 2009	8 Jan. 2010	566654	Grand Gedeh	Tchien
11	West Africa Mines Ltd.	Gold	8 Jan. 2009	8 Jan. 2010	565131	Grand Gedeh	Tchien
12	Estmor Gold Mining Company	Gold	23 June 2009	23 June 2010	619425	Cape Mount	Bangorma
13	Estmor Gold Mining Company	Gold	23 June 2009	23 June 2010	619428	Cape Mount	Bangorma
14	Resources Management Group Inc.	Gold	4 June 2009	4 June 2010	613032	River Gee	Gbeapo
15	SinLib mining company (Zhang Bao Jun)	Gold	13 Aug. 2009	13 Aug. 2010	639958/ 639957	Bong	Kokoya
16	Larwuo-Wolu Inc.	Gold	4 Sep. 2009	4 Sep. 2010	647236	Lofa	Zorzor
17	Raff Resources Inc. (Joseph Mend)	Gold	27 Oct. 2009	27 Oct. 2010	665205	Cape Mount	Bangorma
18	Raff Resources Inc. (Joseph Mend)	Gold	27 Oct. 2009	27 Oct. 2010	665207	Cape Mount	Bangorma
19	Estmor Gold Mining Company	Gold	25 Nov. 2009	25 Nov. 2010	674409	Cape Mount	Bangorma
20	Estmor Gold Mining Company	Gold	25 Nov. 2009	25 Nov. 2010	674407	Cape Mount	Bangorma

No.	*Company*	*Mineral*	*Issue date*	*Expiry date*	*Receipt number*	*County*	*Agency*
21	Pacific International Inc.	Diamonds	8 Jan. 2009	8 Jan. 2010	564263	Sinoe	Sanquin
22	Pacific International Inc.	Diamonds	8 Jan. 2009	8 Jan. 2010	564261	Sinoe	Sanquin
23	Pacific International Inc.	Diamonds	8 Jan. 2009	8 Jan. 2010	564260	Sinoe	Sanquin
24	Pacific International Inc.	Diamonds	8 Jan. 2009	8 Jan. 2010	564262	Sinoe	Sanquin
25	Atlantic Mines Ltd.	Diamonds	8 Jan. 2009	8 Jan. 2010	564665	Sinoe	Sanquin
26	Atlantic Mines Ltd.	Diamonds	8 Jan. 2009	8 Jan. 2010	564670	Sinoe	Sanquin
27	Atlantic Mines Ltd.	Diamonds	8 Jan. 2009	8 Jan. 2010	564667	Sinoe	Sanquin
28	Atlantic Mines Ltd.	Diamonds	8 Jan. 2009	8 Jan. 2010	564662	Sinoe	Sanquin

Source: Ministry of Lands, Mines and Energy.

Annex VII

Letter from Minister of State for Presidential Affairs

MINISTRY OF STATE FOR PRESIDENTIAL AFFAIRS
THE EXECUTIVE MANSION
MONROVIA, LIBERIA

MOS RL/LBM-COS/435 /02010 October 21, 2010

Hon. Edith Gongloe
Superintendent
Nimba County
LIBERIA

Dear Hon. Gongloe,

The President continues to receive reports from officials and citizens on the widespread mining activities that are ongoing in their counties without their knowledge. Moreover, in many cases the mining activities are considered illegally undertaken by aliens in collaboration with citizens.

In response all alluvial mining operations in the concerned counties. A copy of the listing for Nimba County is enclosed. Also enclosed is copy of Joint Administrative Regulation No. 08.2106-1/MOF/MOLME/R/11 Aug. 2010 which provides the Official Fees structure of the Ministry of Lands, Mines & Energy.

We ask that you review the listing and provide any comments that you may have. The President intends to revisit with the Cabinet the entire procedure for the issuance of alluvial mining licenses.

We are sending a copy of this letter to the Minister of Finance and to the Minister of Lands, Mines & Energy who promulgated the regulation. A copy is also being sent to the Chairman of the concerned Legislative Caucus.

Sincerely,

Edward B. McClain, Jr.

Cc: The Minister of Finance
The Minister of Lands, Mines & Energy
The Chairman, Nimba Co. Legislative Caucus

Attachment

Annex VIII

Extract from mining inspector report alleging mining agent involvement in illicit activities

OBSERVATIONS

During the period under review, the following activities were observed and need your prompt attention.

1. The Mining Agents are encouraging and facilitating ILLICIT MINING AND ITS RELATED ACTIVITIES for self- gain

2. The Mining Agents are receiving money from miners for payment licenses and issueing receipts on letter heads.

3. The Mining Agents are delaying the processing of mining licenses after receiving the money from miners

4. Illicit brokerage and smuggling of minerals (GOLD) to neighboring counties / countries are still in existence due to the lack of licensed brokers

5. The Mining Agents allowed miners to mine on clearences / recommendations for more than fifteen(15) days which is prohibited.

RECOMMENDATIONS

Sir, I wish to recommend to your office the following for prompt actions

1. That devices be poovided for mineral Inspectors to detect minerals (GOLD) in order to avoid the smuggling

2. That the Ministry provide MOTOR - BIKES for Mineral Inspecters to enable them do periodic tours through out the entire county

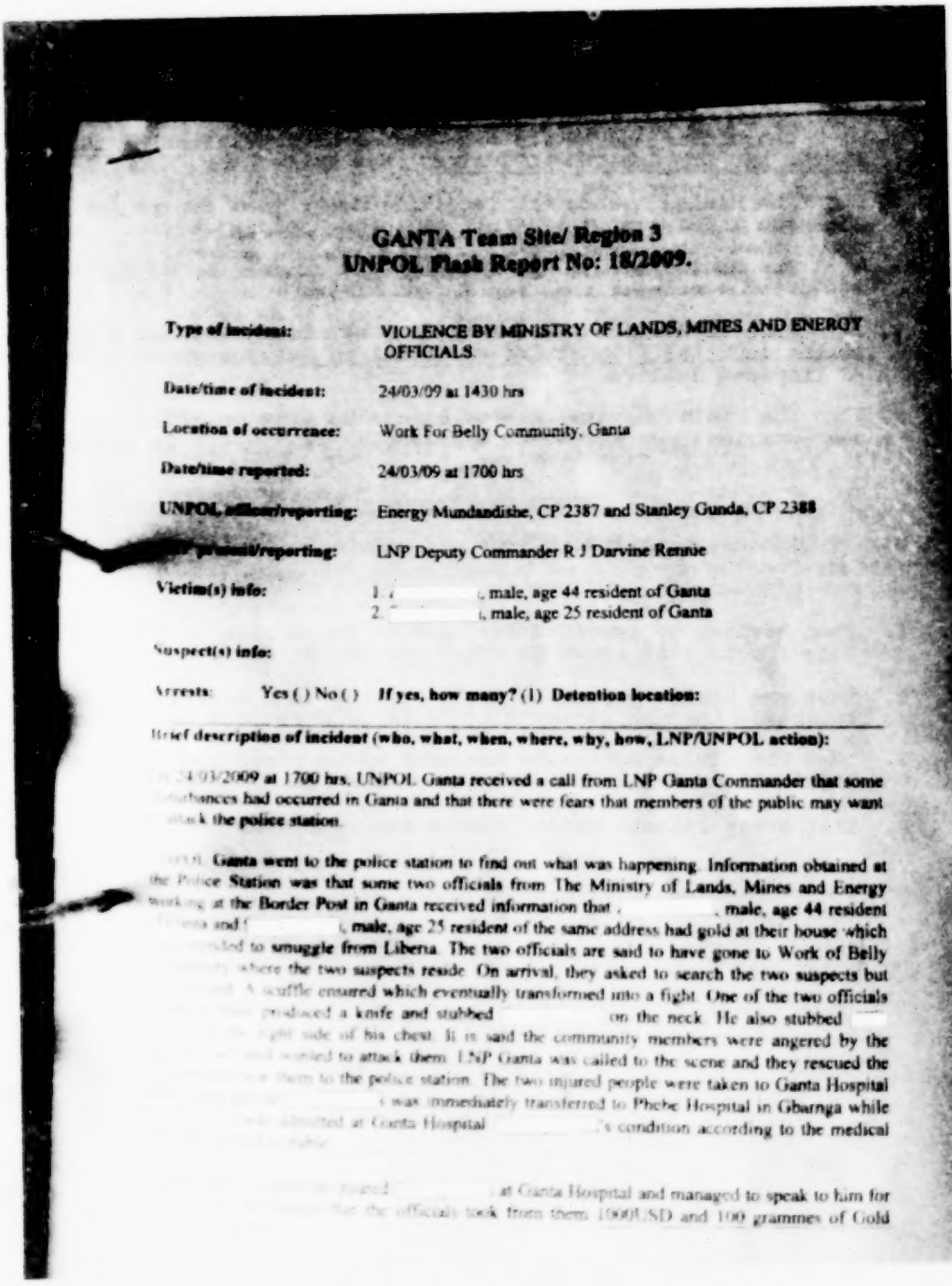
3. That the Mining Agents be transferred to avoid too much of familiarization with miners for their self- gain

4. That every license holder should have a licensed broker

Source: Mining inspector report given to the Panel in March 2010. County withheld to protect identity of inspector.

Annex IX

Police report attesting to violent behaviour of Ministry of Lands, Mines and Energy staff



GANTA Team Site/ Region 3
UNPOL Flash Report No: 18/2009.

Type of incident: VIOLENCE BY MINISTRY OF LANDS, MINES AND ENERGY OFFICIALS

Date/time of incident: 24/03/09 at 1430 hrs

Location of occurrence: Work For Belly Community, Ganta

Date/time reported: 24/03/09 at 1700 hrs

UNPOL officer/reporting: Energy Mundandishe, CP 2387 and Stanley Gunda, CP 2388

[illegible] personnel/reporting: LNP Deputy Commander R J Darvine Rennie

Victim(s) info: 1. [redacted], male, age 44 resident of Ganta
2. [redacted], male, age 25 resident of Ganta

Suspect(s) info:

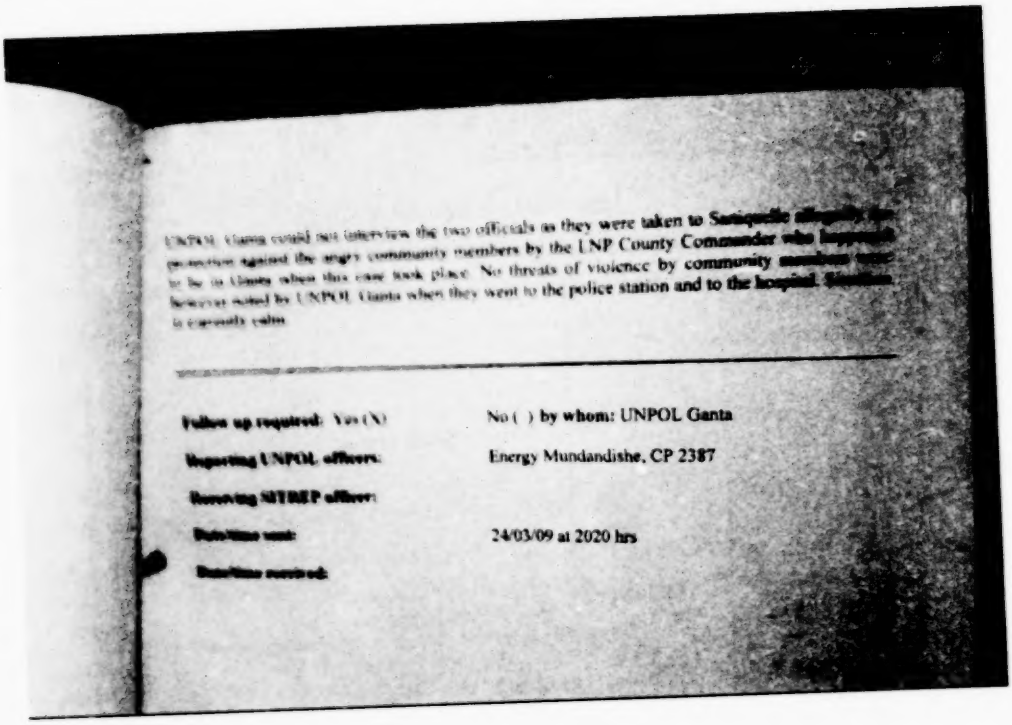
Arrests: Yes ( ) No ( ) ***If yes, how many?*** (1) **Detention location:**

Brief description of incident (who, what, when, where, why, how, LNP/UNPOL action):

[illegible]/03/2009 at 1700 hrs, UNPOL Ganta received a call from LNP Ganta Commander that some disturbances had occurred in Ganta and that there were fears that members of the public may want to attack the police station.

[illegible] Ganta went to the police station to find out what was happening. Information obtained at the Police Station was that some two officials from The Ministry of Lands, Mines and Energy working at the Border Post in Ganta received information that [redacted], male, age 44 resident of [illegible] and [redacted], male, age 25 resident of the same address had gold at their house which intended to smuggle from Liberia. The two officials are said to have gone to Work of Belly [illegible] where the two suspects reside. On arrival, they asked to search the two suspects but [illegible]. A scuffle ensured which eventually transformed into a fight. One of the two officials [illegible] produced a knife and stubbed [redacted] on the neck. He also stubbed [redacted] [illegible] right side of his chest. It is said the community members were angered by the [illegible] and wanted to attack them. LNP Ganta was called to the scene and they rescued the [illegible] them to the police station. The two injured people were taken to Ganta Hospital [illegible] was immediately transferred to Phebe Hospital in Gbarnga while [illegible] admitted at Ganta Hospital [redacted]'s condition according to the medical [illegible].

[illegible] at Ganta Hospital and managed to speak to him for [illegible] the officials took from them 1000USD and 100 grammes of Gold



UNPOL Ganta could not interview the two officials as they were taken to Samaquelle allegedly for protection against the angry community members by the LNP County Commander who happened to be in Ganta when this case took place. No threats of violence by community members were however noted by UNPOL Ganta when they went to the police station and to the hospital. Situation is reportedly calm

Follow up required: Yes (X) No ( ) **by whom:** UNPOL Ganta

Reporting UNPOL officers: Energy Mundandishe, CP 2387

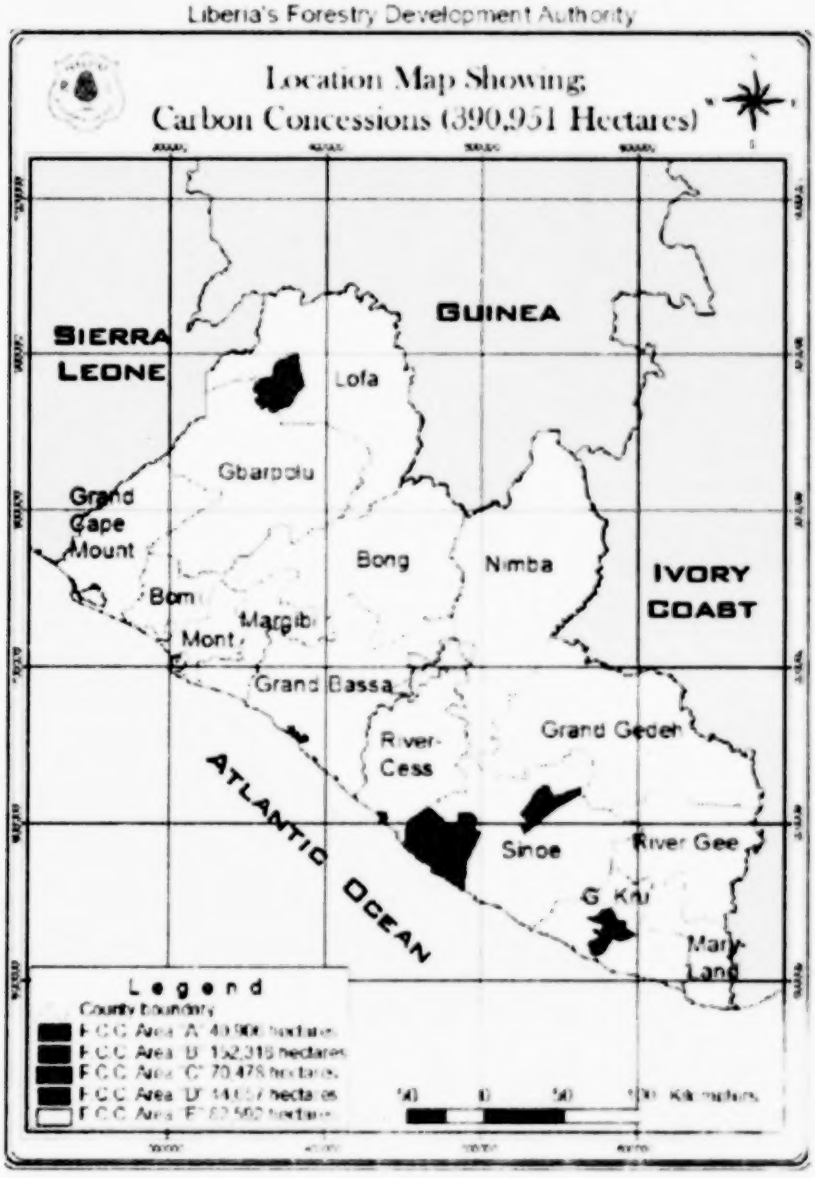
Receiving SITREP officer:

Date/time sent: 24/03/09 at 2020 hrs

Date/time received:

Annex X

Map of concession area for carbon credit deal



Source: Draft carbon concession agreement obtained by Panel.

Annex XI

Special statement by President Ellen Johnson Sirleaf on the report of the Special Presidential Investigative Committee on the Alleged Carbon Credit Deal

12 October 2010

Fellow citizens, you may recall that on 4 June 2010 Liberia was brought to the world's attention by Global Witness of the United Kingdom regarding the arrest of a United Kingdom citizen who, through fraud and misrepresentation, had been granted an allocation of 400,000 hectares of forest by our Forestry Development Authority for harvesting carbon credits. On 18 June 2010, I constituted a Special Presidential Committee headed by Counselor T. Negbalee Warner to investigate the report by Global Witness.

On 5 October 2010, Counselor Warner presented the report of the Committee, which includes findings and recommendations. After a review of the report, I have decided to take the following action:

- To submit a copy of the report and bring to the attention of the President Pro-Tempore of the Senate, for appropriate action, the key role played by Rivercess Senior Senator Jonathan Banney in this matter. This conforms to the recommendation of the report.

- To send to the Ministry of Justice for further investigation and possible prosecution, Senator Banney and former Minister of Internal Affairs, Mr. Ambulai Johnson, as recommended by the report.

- To dismiss immediately Mr. Augustine Johnson, Manager of Geo Information Services (GIS) at the Forestry Development Authority; Mr. Joseph Neufville, Technical Adviser; and Mrs. Peggy Varflay Meres, Executive Director of the Public Procurement and Concession Commission, and forward them to the Ministry of Justice for further investigation and possible prosecution as recommended by the report.

- To reprimand and send to the Liberia Anti-Corruption Commission for further investigation, former FDA Managing Director John Woods, FDA Legal Officer, Counsellor Benedict Sorgbeh, and Chief of Staff of the Ministry of Planning and Economic Affairs, Edward Eesiah. This follows the recommendation of the report.

- To reprimand the Minister of Planning and Economic Affairs for failure to exercise due diligence by issuance of a blanket Concession Certificate covering Forest Management Contracts. This is consistent with the recommendation of the report.

- To direct the Ministries of Foreign Affairs and Justice to start the process for extradition of Mr. Michael Foster of Carbon Harvesting Corporation (CHC) of the United Kingdom and Mr. George Antwi, Agent for CHC in Liberia, for prosecution under the bribery laws of Liberia.

- I am also taking an additional step not covered by the report to direct the Ministry of State to deepen, expand and strictly enforce the existing restriction on visits to the President by investors and business people as may be requested by legislators, government officials, relatives, and political and personal associates. This goes beyond the recommendation of the report.

The report will be circulated to the public after submission to each of those affected or named in the report. This disclosure on action taken represents a departure from previous practice because our justice system is long in enforcing judgement. However, we should respect the principle of our Constitution and laws which say that all of those accused are presumed innocent until proven guilty by due process in the courts.

Source: http://www.emansion.gov.lr/press.php?news_id=1679.

Annex XII

Summary of non-published payments submitted by Ministry of Finance

Template Z - Government Agencies							
Liberia Extractive Industries Transparency Initiative (LEITI)							
Report on amounts received and receivable from extractive company by specified government agencies for the financial year ended 30 June 2009							
NAME OF AGENCY: MINISTRY OF FINANCE							
TAXPAYER NAME: CONSOLIDATED PAYMENTS FOR MINERS, BROKERS, DEALER, ETC..							
TAXPAYER IDENTIFICATION NUMBER (TIN): SEE SUPPORT							
		CURRENCY OF RECEIPT					
	TYPE OF PAYMENT	Amount Received		Amount Due			Agency
T	Taxes & Fees	USD	LD (000's)	USD	LD (000's)	Note	Sector
Common							
1	Signature Fees/Signing Bonus					B	
2	Contribution via GOL to University Depts (UL etc.)					B	
3	County Contributions					B	
4	Community Contributions					B	
5	Corporate Profits Tax/Turnover Tax					C	
6	Import Levy					A	
7	Excise Tax					A	
8	ECOWAS Trade Levy (ETL)					A	
9	Pre-Shipment/Destination Inspection (GOL's share)					A	
10	Customs User Fees					A	
11	GST						
Sector Specific							
12	Surface Rental	140,246.25				A	
13	Minerals License fees					A	
(a)	Class (A, B, C) License	287,331.78				A	
(b)	Broker License	32,833.29				A	
(c)	Dealer License	273,742.22				A	
(d)	Fine Precious Mineral License					A	
(e)	Exploration License Fees	629,923.83				A	
(f)	Mining Concession					A	
14	Export tax					A	
15	Royalty	34,287.11				A	
16	Mineral Dev't & Research Fund (pd to ML/MP only)					A	
17	Block Inspection Fees					A	
18	Contract Administration Fee					A	
19	Weight Fee					A	
20	Rubber/Wood Products Export Fees					A	
21	Area Fee					A	
22	Stumpage Fee					A	
23	Auction Fee					A	
24	Forest Product Fee (processed materials)					A	
25	Sawn & Planed Fees					A	
26	Chainsaw Lumber Fees (Pit Sawing)					A	
27	Bid Premium					A	
28	Timber Export License Fees					A	
29	Log Export Fees					A	
30	Bidder's Bond					A	
31	Surface Rental					A	
32	Oil License Fees					A	
33	Social Welfare Contribution					A	
34	Annual Training					A	
35	Payment to Maritime					A	
36	Hydrocarbon Development Fund					A	
37	NOCAL / GOL Production shares under PSA					A	
38	Surface Rental					A	
39	Rubber/Oil Palm Development Fund					A	
40	Land Rental/Lease Tax					A	
O	Other Payments						
Common							
41	Administrative fees					A	

(a)	Business Registration					A	MoI
(b)	Article of Incorporation					A	MoI
(c)	Operational/Professional License		71,400.00			A	MoI
(d)	Vehicle Registration					A	MoI
(e)	Driver License					A	MoF
(f)	Resident Permits					A	MoI
(g)	Work Permits					A	MoI
(h)	Fire Safety					A	MoI
(i)	Real Estate Tax						
(j)	Other Administrative payments						
42	Dividends to GOL					C	MoF
43	GOL Fines					A	MoF
Sector Specific							
44	Administrative fees					A	M
(a)	GIS Map(s)					A	M
(b)	Surveying Fees					A	M
(c)	ID cards fees					A	M
45	Non Timber Forest Products -					A	F
(a)	Local Collections					A	F
(b)	Export collections					A	F
46	Chain of Custody Management Fee (PSI)					A	F
47	Rubberwood Products -					A	Ag
(a)	Local Collections					A	Ag
(b)	Export Collections					A	Ag
48	Miscellaneous					A	Ag
W	Withholdings						
Common							
49	Personal income					C	MoI
50	Non-Resident					C	MoI
51	Board Fees					C	MoI
52	On payments to third parties of -					C	MoI
(a)	Rent / Lease					C	MoI
(b)	Interest					C	MoF
(c)	Dividends					C	MoI
(d)	Professional services					C	MoF
	TOTAL	**1,383,264.48**	**71,400.00**	-	-		

Notes

A The amount due should be equal to the bills issued to the taxpayer in respect of the year. It may differ from the amounts received because:

i) amounts due should include receipts in the year but relating to the previous year;

ii) amounts due should include bills issued in the year but not settled until after the end of the year;

iii) amounts due should include bills issued in the year but either not settled or only partly settled in the year.

B The amount due should be the amount in respect of the year as stipulated in the agreement or contract, irrespective of the amount received.

C The amount due should be the amount in respect of the year calculated based on the relevant law. It may differ from the amount received because:

i) amounts due should include receipts in the year but relating to the previous year;

ii) amounts due should include amounts for which the taxpayer is liable but which were not received until after the end of the year.

Abbreviations: Ag, agriculture; F, Forestry; M, mines; MoI, Ministry of Finance; O, oil.

S 2010 609

Annex XIII

Legislature Act annulling annual land rental bid premiums

S

AN ACT TO ABOLISH THE PAYMENT OF LAND RENTAL BID PREMIUM ON CONTRACT AREA IN THE FORESTRY SECTOR OF THE LIBERIAN ECONOMY

WHEREAS, the National Forestry Reform Act of 2006, section 14.2, Forestry fees, outlined the various forestry fees to include Land rental Fees paid on contract area.

Whereas, the reform of the forest sector was intended to effectively and efficiently manage the Forest Resources of Liberia, revamp logging activities, and create jobs.

Whereas, the inclusion of a land rental bid premium paid on contract area in addition to Land rental fees also paid on contract area amounts to double taxation, imposes very high tax burden on logging companies, frustrates, delays, or deny job creation and makes Liberian wood less competitive on the international markets.

Whereas, the execution of the National forestry Reform Laws of Liberia should at no time be seen to be an impediment to the growth and development of the forest sector of the Liberian Economy.

Now therefore, it is enacted by the Senate and House of Representatives in Legislature Assembled.

Section I:

That immediately upon the passage of this act, Annual Land Rental Bid Premium paid on contract area shall be abolished.

Section II:

That the payments for Annual Land Rental Bid Premium captured in the Fiscal Year 2010/2011 National Budget shall be paid on a quarterly basis with all payments completed before end of Fiscal Year, same being June 30th 2011, and thereafter no further annual Land rental Bid Premium shall be made by companies in the Logging Sector.

Section III:

That in lieu of Annual Land Rental Bid premium, there is hereby established a one time Bid premium (signing fee) to be paid within one year as of the effective date of each subsequent contract to be signed, ratified, approved and published by the Government of Liberia.

Section IV:

This Act shall take effect immediately upon publication into Hand Bill.

Any law to the contrary notwithstanding.

Annex XIV

Complaint regarding lack of implementation of a social agreement

Memorandum to key Political and Traditional Leaders, and FDA Officials about the Conduct of Tarpeh Timber Company

To: Hon. Samuel D. Page, Sr.
Representative, District No. 1
Grand Bassa

Hon. Samuel Moore
District Commissioner, District No.1, Grand Bassa Co.

Hon. Samuel Karmenjay
District Superintendent, District No.1, Grand Bassa Co.

Paramount Chiefs Sammy Jackson & Joseph Kai
Voyah and Timor Chiefdoms, District No. 1, Grand Bassa

The Clan Chiefs of
Doe, Saywein and Worwen Clans, District No.1, Grand Bassa Co.

Mr. Moses Wegbeh
Manager, Community Forestry Department
Forestry Development Authority

The Manager of SGS
Forestry Development Authority

Cc: Mr. David G. Tarpeh
President
Tarpeh Timber Company (TTC)

From: William Page
Chairman, Community Forestry Development Committee (CFDC)
TSC A-2, District No.1, Grand Bassa County

Date: July 30, 2009

Subject: Appeal for your intervention

We are constrained to complain and formally bring to your attention the behavior of Tarpeh Timber Company (TTC) since the Social Agreement was signed on August 15, 2008. We appeal to you all to intervene and invite TTC to a meeting with the Affected Communities in TSC A-2 to discuss these issues. We request that TTC be stopped from further lifting round logs from our area until all of these issues are discussed and resolved.

Below is a summary of our the problems and issues we have with TTC:

1. Tarpeh Timber Company (TTC) felled several Ekki logs (more than 100 pieces) in the community forest outside its concession. The company was fined by the Forestry Development Authority (FDA). But we have not received any official communication about what will be done about those logs that TTC felled in our forest. Also since TTC was fined we, the affected communities, have not heard from the FDA or TTC about what will be done about this violation.

2. One pick-up was donated to the three (3) affected clans by the TTC on August 15, 2008 during the ceremony marking the signing of the Social Agreement. The pick-up truck was received in good faith and the citizens asked Mr. David Tarpeh to help build a bucket on the truck. The pick-up was taken back to Monrovia and from that time the company has not returned our pick-up. We have in fact received information that Mr. Tarpeh has sold the pick-up.

3. According to the Social Agreement, TTC promised to meet with the CFDC and affected communities to discuss important issues on a quarterly basis. After the signing of Social Agreement on August 15, 2008, we the members of the Community Forestry Development Committee and the affected communities have not met with TTC president Mr. David Tarpeh. He has refused to meet with us whenever he is invited.

4. Since the signing of the Social Agreement Mr. Tarpeh has not met with the citizens to finalize plans for the payment of the $1 US per cubic meter the company is supposed to pay to us. Although this was promised in the Social Agreement no time was given and we expected that we will discuss this with the company in one of the quarterly meetings. But we have not had an opportunity since the company has refused to meet with us since we signed the Social Agreement.

5. TTC promised to build concrete bridges and properly fix the main roads for the people. Instead, TTC has not properly graded the roads and the log bridges that were built have already started breaking down. The dirt that was placed on those bridges has started draining into the streams that the company promised not to damage.

6. The construction of the road by the TTC damaged cash crops (rubber) belonging to some of our community members. The community was promised to receive $5 US per tree since we got into this agreement. This agreement was reached in a mass citizen meeting in Bockay's town when some citizens raised concern about their crops during the construction of the road. Since the company worked on the road and damaged some farmer's trees, Mr. Tarpeh refused to pay the amount to the rightful owner(s)

7. TTC also promised that some of our people were going to be employed but most of TTC employees are not from the affected community.

Recently, we have noticed that the company has started transporting logs from the concession into Monrovia in containers. To date, we are told that about seven containers of round logs have been transported to Monrovia and the company plans to transport up to 400 cubic meters of logs in this process. We were also told that there are plans to ship those logs to China.

We are concerned that this is happening without any information or discussion about how the company will meet its obligation to our citizens. Also, we have received no information about when and how the company will meet its obligations to us.

In addition to the above, the company is now operating a rented sawmill between Gargar Town and Zogar Town. The company also has people operating with power-saw (doing pit-sawing) in the area and some of its employees are involved in cutting and transporting our round poles and rafters to Monrovia for sale.

In conclusion, we are kindly asking for your intervention in these matters so that we all can build a great nation.

Thanks.

Annex XV

Social Agreement between River Gee community and a mining company

REPUBLIC OF LIBERIA

Social agreement between Joquiken community, Nyanwliken District, River Gee **County and Resource Management** Group (RMG) INC.

Whereas RMG **agreed to undertake the following**:

That RMG **build A SEVEN (7) rooms modern** clinic for the community and **provide all the medicine annually and all medical staff**, and the joquiken community **will provide the land ,sand and** rocks as their contribution for the **building of the clinic. The building** will be completed August 2010 and **December 2010 official opening.**

That RMG **compensates up to five (5) elders of Joquiken** per month with the amount of LD $ 1,200.00 **for the period** of two (2) years beginning March 2010.

That RMG **compensates six (6) of our volunteer** teachers of KMI with the amount of **LD$ 3,000.00 per month for the period** of two (2) years beginning March 2010.

That RMG **will renovate the present building** she is occupying to be used as Guest house. **The community contribution will be to provide rocks** and sand towards the **renovation of the building.** The turning over of the building will be **December 31, 2010. Renovation starts** January 2011 and ends March 2011.

That after the completion of her own camp and after having lived in this camp and has decided to leave Liberia, to seek greener pasture in another Country, that RMG will willingly, voluntarily, generously and unconditionally turn over this camp to the Joquieken community as property of all citizens of Joquieken, yea all citizens of River Gee County.

That RGM pays the amount of USD$ 1,000.00 (one thousand dollars) yearly into the saving account of Joquieken community for development support. USD$ 250.00 (two hundred and fifty dollars) be paid quarterly for the period of two years.

That RMG agrees to hire 50% of her work force from River Gee County.

The terms of this agreement shall cease upon the following conditions.

That RMG is required by the Government of Liberia to stop all operations.

That RMG leaves due to civil war, ethnic conflict, flood and other unforeseen reasons.

This agreement should be revisited after the period of two (2) years.

Signed: _____

For the Resource Management Group (RMG) INC.

Signed: For the Joqieken community

a. _____

b. _____

c. _____

Attested: David T. Sayon

Mining Agent (Ministry of Lands, Mines & Energy) R/L

Attested: Warford Weadatu Sr.

Commissioner, Nyanwiliken District

Witness by: [illegible]

For the County authority

Prepared on this twenty forth day of February, in the year of our Lord two thousand and ten. - In he City of Fish town, River Gee County.

Annex XVI

Complaint regarding land claim related to mining concession in Nimba County

Sanniquellie City
Nimba County
LIBERIA

Date October 5, 2010

The Administrative Manager
ACELOR- MITTAL
Yekepah, Nimba County
LIBERIA

Mr. Manager:

Wes are pleased to present you compliments of high esteem and first thank you for the numerous development initiated by your good Company in Nimba County during the July "26" Celebration.

Mr. Manager, we are through this medium informing you that, during the visit of the President of Liberia **Her Excellency Madam Ellen Johnson Sirleaf** last year, we submitted our petition dated December 4, 2009 through the County Administration (C.A), Nimba County, touching our respective Claims against the then Management of **LAMCO J.V.** Operating Company in the sum of Five Hundred Thousand **($ 500.000.00 USD)** for our land coverage Village, **Rubber, Coacoa, Plantain, Coffee** Farms etc destroyed/ encroached during the construction of Rail Road from Buchanan- Yekepa.

Moreover, Mr. Manager, in pursuing the aforesaid Claims through the Government of Liberia, we received a News Paper dated December 18, 1989 under the caption " **LAMCO-LIMINCO SIGN PEACE ACCORD"** with the understanding that the Government of Liberia will assume responsibility for the settlement of certain contingent Legal Obligation in 1990 as a result of **LAMCO'S** previous Concessional Operations in Liberia.
Due to the Civil Crisis in Liberia, we left and seek refuge in the neighbouring Republic of Guinea and the Republic of Ivory Coast.(Please see certified copy(ies) of News Paper attached).

That is to say, we were not fortunate to meet the Head of **LAMCO** Claims Commission instituted by the Government of Liberia.

Based upon the Presentation of our Petition to the Superintendent of Nimba County , to be delivered to the President of Liberia, Her Excellency Madam Ellen Johnson Sirleaf, we were immediately advised by the County Administration to Channel our Petition through the County Administration for administrative reasons.
(Please see letter dated July 13, 2010, as a reminder).

...../2

However, Mr. Manager, as Law-a- biding citizens and having been advised by some Legal Practioners, Elders of our County and including the County Administration, we have decided not to by pass the County Administration, but left with no alternative, but to appeal to Management for settlement of these long standing Claims matter once and for all, since indeed Management of **(ACELOR MITTAL)** signed an Contractual Agreement with the Government of Liberia to carry on Mining Activities in Nimba County, we are happy of same and left with no other alternative but to attach these self explanatory relevant documents for perusal, understanding and consideration in the premises.

Thanks in advance, May God richly Bless you and the entire Staff of Management.

Respectfully Submitted:

Cesar Yorda Khona
Administrator of the
Late Johnny Konnah's Estate- **PETITIONER**
Sanniquellie, Nimba County
Cell#: 06-951-607

Amos Gbanlah 06265002
ONE OF PETITIONERS
Zolowee Town

Cooper Sehneah
ONE OF PETITIONERS
SANNIQUELLIE

Sam Bonto
ONE OF PETITIONERS
GBARPA TOWN

George Cole
ONE OF PETITIONERS
GARR CLAN, NIMBA COUNTY

Theresa Yini
ONE OF PETITIONERS, ET AL
GARR CLAN, NIMBA COUNTY

CC : Superintendent, Nimba County

Sanniquellie City, Nimba County
LIBERIA

December 4, 2009

Her Excellency
Madam Ellen Johnson Sirleaf
President of Liberia
Executive Mansion
Monrovia, Liberia

Madam President:

We are happy of your official visit in Sanniquellie City, Nimba County.

Madam President, we would be pleased were you to be kind enough to endorse the attached self-explanatory photo copies of our PETITION and other relevant documents relating to our properties herein indicated in the aforesaid PETITION.

While awaiting your kind response, we thank you for your motherly consideration into these long standing claim matters.

We pray that God richly bless you and your entire staff of your Administration.

Kind regards.

Respectfully Submitted:
Cesar Yorda khonah
Administrator of the
Late Johnny Konnah's Estate - PETITIONER
Cell#: 06-951-607

Amos Gbanlah 06265002
ONE Of PETITIONERS

Cooper Sehneah
ONE Of PETITIONERS

Sam Bontor
ONE Of PETITIONERS

George Cole
ONE Of PETITIONERS

Theresa Yini
ONE Of PETITIONERS, ET AL

Sanniquellie City, Nimba County
LIBERIA
June 19, 2009

Hon. Jericho W. Dorwazia
Chairman, Special Presidential
Land Dispute Committee, District No. 1
Nimba County
LIBERIA

Mr. Chairman:

With compliments, we are delighted to channel our petition through your good offices, with the request that our grievances herein mentioned in the attached self-explanatory documents/petition be taken into serious consideration, as efforts made by us in getting response and/or redress from the Government Authority concerned, is to no avail.

We are happy of the establishment of a Special Presidential Land Dispute Committee established by the President of Liberia, Her Excellency Madam Ellen Johnson Sirleaf, to probe into Land cases in Nimba County.

In view of the foregoing circumstances, Mr. Chairman, since indeed these claim matters derived from Nimba County, moreover the contractual Agreement having been signed and approved by the Government of Liberia, in favour of Acelor-Mittal to start Mining Activity in Nimba County, we deemed it necessary at this time to request that you please invite the Management of Acelor-Mittal for a conference, to see if we will arrive at an amicable solution in this long standing matters.

As stated in our Petition attached, we are claiming the sum of five hundred thousand ($500,000.00) United States Dollars for our properties destroyed and encroached by LAMCO during the construction of Rail-Road from Buchanan to Yekepa.

As we embraced the incoming of new management (Acelor Mittal) to re-start mining activities in Nimba County, we are sincerely craving your good offices to please intervene in the premises, as Management (Acelor Mittal) will use the asset of LAMCO.

Thanks in advance for your intervention in this long standing matters.

Respectfully submitted:

Ceasar Yorda Khonah
Administrator of the Late Johnny Konah's
Estate Et al.
PETITIONERS
Cell# 06-951-607

Amos Gbanlah
ONE OF PETITIONERS

Cooper Sehneah
ONE OF PETITIONERS

Sam Bonfor
ONE OF PETITIONERS

George Cole
ONE OF PETITIONERS

Theresa Yint
ONE OF PETITIONERS

Mrs. Louise C. Harmon
ONE OF PETITIONERS
Et Al.

Annex XVII

UNPOL flash reports on arms and ammunitions smuggling at the border between Liberia and Guinea

UNPOL Ganta Team Site/ Region 3
Flash Report# 04/2010

Type of incident: ILLEGAL POSSESSION OF AMMUNITIONS.

Date/time of incident: 09/02/2010 at 1000 hrs

Location of occurrence: Ganta Main border, Ganta City, Nimba County

Date/time reported: 10/02/2010 at 1200 hrs

UNPOL Officer/reporting: CP 2852 Dennis Sorbo (guinea)

LNP present/reporting: Ganta LNP Detail Commander Lyndon T. Johnson

Victim(s) info:

Suspect(s) info: male, age 30, Liberian by Nationality and resident of Dieckey town, Guinea

Arrests: Yes (X) No ( ) **If yes, how many? Detention location:**

Brief description of incident (who, what, when, where, why, how, LNP/UNPOL action):

On 10/02/2010 at 1200 hrs, Ganta LNP Detail Commander Chief Inspector Lyndon T. Johnson informed UNPOL Officers that on 09/02/2010 at 1000 hrs a man called male, age 30, Liberian by Nationality and resident of Dieckey town, Guinea was arrested with 51 package of ammunitions (12 mm cartridges), which is commonly used for single barrel guns. The total of ammunition is 1275 (each package contains 25 cartridges). Investigations revealed that the accused was smuggling the ammunitions into Liberia to be sold by Mark (suspect's friend), who he was supposed to meet at Ganta Main Taxi park.

LNP Action:

- During initial investigation, LNP took statements from the suspect, but unfortunately the only information about suspect's friend is his name
- LNP searched the area where mark supposed to receive the ammunition, but lack of information did not allow them to succeed.
- The ammunitions are confiscated at Ganta LNP Detail, as exhibits.
- The total number of cartridges is 1275 in 51 packages.
- The case is under CSD investigation.

UNPOL Action:

- LNP were questioned about the reasons why they did not report yesterday this case and LNP Detail Commander answered that due to investigation were undergoing, they forgot to do so and apologized to UNPOL for the inconvenience.
- LNP were advised to request more LNP personnel from Sannoquellie County Headquarters, so that, Ganta main check point, Depot #2 and Ganta Main Border (Depot #1) can be conducting better job, especially searching for this kind of criminals (Smugglers); not only for ammunition; but also drugs and others.
- Lastly, LNP CSD Commander was requested to respect the pre-trial detention time and human right of the suspect.

Page 1 of 2

UNPOL TEAM SITE: Reg3-Ganta

Officer reporting: Musa Damena CPF 3027

UNPOL Flash report # 48

Date: 16/08/2010 **Time:** 1900 hrs

Case Number: [illegible] 24

2. LNP Station where case reported and received: GANTA LNP DETAIL

3. Type of incident (crime): **SMUGGLING OF FIRE ARM**

4. Date of incident: 16/08/2010

5. Time of Incident: 1830 hrs

6. Location of occurrence: Address/Community: Ganta Main Border; Town/Village: Ganta; District: Bon Gon District; County: Nimba County

7. Date when reported to LNP: 16/08/2010

8. Time: 1900 hrs

9. LNP present/reporting: name and CPF Lee Suzi Jackson, LNP ID #2875

10. Victim(s) details:

	Name	Sex	Age	Title	Address	Occupation	Nationality	Contact
1								

11. Total number of suspects: 02

12. Suspect(s) details:

	Name	Sex	Age	Title	Address	Occupation	Nationality	Contact
1		M	47	Mr.	Guinea main border	Driver	Guinea	
2		M	47	Mr.	Guinea	Driver	Guinea	

13. Brief description of incident (who, what, when, where, why, how, LNP/UNPOL action):

On 16/08/2010 at 2900 hrs, UNPOL Officers received copies from CPS Lee Suzi Jackson ID # 2875 of Ganta Detail reporting Arms and ammunition been arrested at Ganta Guinea main Border. UNPOL officers CP 3027 Musa Damena and CP3172 Jlu Yas together with LNP Officer ID # 2875 Lee Suzi Jackson and BANN BATT 18 Security went to the scene. Upon arrival at Ganta main Border LNP COMD at the border, Asst. Inspcr Kamara ID # 2275 informed us that while they were doing their normal joint security search with the BN officer they search vehicle REG ACP 1463 Red color Nissan Diffish by [illegible] male, age 47 of Guinea, and found 12 Single Barrel rifles and one (1) carton containing 475 life ammunitions. According to the driver the passenger [illegible] male, age 28 of Ganta need him to take he cargo of Boars from Guinea to Ganta. Both suspects arrested and detained at Ganta Detail. The Deputy CSD Commander Nimba County Rom Sannquelle will arrive Ganta Today for possible transfer of the case to Monrovia.

LNP Action:

- LNP Lee Suzi Jackson and Redeumer Tee visited the scene.
- The suspects were handed over by the joint security to LNP.
- The case was book in the OCS.

UNPOL Action:

LNP were advised:

- LNP were advised to take proper Inventory of the arms and ammunition during the handing over.
- To Secure the area before BANGBATT 18 arrived at the scene.
- To speed up the investigation.

14. Include sketches here if available: